had a sex-change open and is believed the of

have served in the is

formed her own order

not be recognized by a

have taken a vow of cel

decade. Ciark who lear

Change operations Skew

continue counseling a

the American much

third actor to be name

Paul Newman.

He was preceded by Le

who punned his performe

the Royal Ballet this sal

told reporters at Heshal

before catching a light

York. "It doesn't milete

they say." Nurever help

performance of Greek

Royal Opera House Ge

den. His pariner, the feet

rina Sylvie Guillem, De

Covert Garden debuin

role, won high price;

nately, her performe

served to accommunical

YOUR LINK TO THE

BRITISH BOOK P. M

LATERSIE

A CONTROL OF THE CONT

EARN UNEVESTY

PENPL

CONTACTS WEST

PEA PALS FRE ME

Page 13

FOR MO

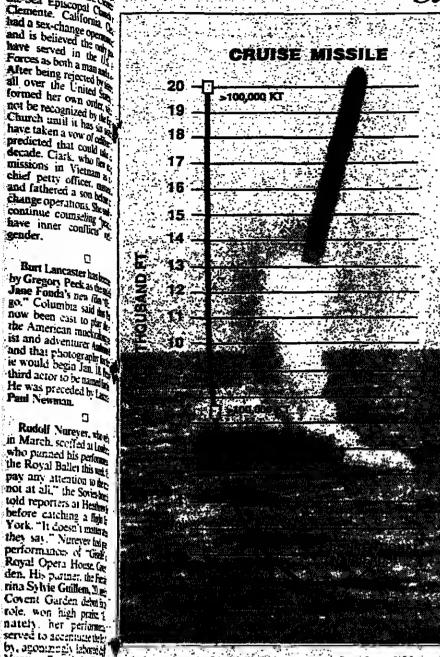
CLASSIF

missions in Vietnam

PARIS, MONDAY, JANUARY 11, 1988

**ESTABLISHED 1887** 

### New Missile Strategy Urged



This chart accompanies a Pentagon report to be released this week that says missiles now can use small warheads with greater accuracy. One official said the ability to use less explosive power was the most important military development since World War II.

# U.S. to Build Spy Plane That Radar Can't Spot

partment officials say.

at more than 3,800 miles per hour

more than five times the speed of sound. It will fly higher than

100,000 feet (30,500 meters) and with aerial refueling, will be limited

in range only by the crew's endur-

The reconnaissance plane is the

third being built with the Stealth radar-evading technology. The oth-ers are the B-2 bomber, scheduled

to go into operation in the early 1990s, and the F-19, a plane de-

signed to be used as a fighter or for

short-range reconnaissance. The F-

19 is reported to be in flight testing

The plane is intended to replace the aging SR-71 Blackbird aircraft, of which only nine of the original 30 are still in service. The SR-71,

which can fly three times the speed

feet, is based on technology that is

Beyond speed and altitude, officials said, the advantage of the new plane would be its ability to remain

undetected. "With the SR-71, they

know we're there but they can't

touch us," an official said. "With

the new technology, they won't even know we're there."

Progress in building the plane, when it might become operational

and its specifications and cost

could not be determined. Nor

would officials discuss where it

might be built. The Lockheed

Corp. has been widely reported to

Although details of Stealth tech-

nology are secret, aviation special-

that absorb rather than reflect ra-

dar beams, body surfaces that de-

flect radar, and controls on engine exhaust and heat that are designed

to foil infrared detection systems.

Long-range reconnaissance

anes, beginning with the U-2 in

1955; have photographed military

positions and gathered other intel-

officers photograph Iranian naval

aging of the SR-71s and their scar-

planes had been lost in crashes

while others had been worn out

Although satellites are now used

to gather large amounts of photo-

graphic intelligence, the officials

said some things cannot be done hy

See PLANE, Page 5

Satellites follow a predictable

through extensive flying.

unmanned spacecraft.

have built the F-19 in California.

25 years old.

New York Times Services ...

WASHINGTON - The U.S. Air Force is secretly developing a long-range reconnaissance aircraft that will incorporate technology intended to permit the plane to evade

Kiosk

#### Thatcher Aide Leaves Cabinet

LONDON (Renters) - Britain's deputy prime minister, Lord Whitelaw, one of Prime Minister Margaret Thatcher's closest aides, resigned Sunday after suffering a slight stroke

last month.

Lord Whitelaw, 69, said it would be unwise "to undergo in future the stress inseparable from senior ministerial office." His position as Conservative Party leader in the House of Lords was filled by his deputy, Lord Belstead.

MONDAY O&A

Elie Wiesel. 1986 winner of the Nobel Peace Prize, is in Paris for a conference of Nobel laureates. Page 2.

General News:

Alexander Dubcek sees a connection between the "Prague Spring" and the Gorbachev re-Page 2

Police quelled celebrations after a rumor that Manuel Noriega had fled Panama. Page 3.

Business/Finance World demand for oil is rising faster than previously expected, the International Energy Agen-

Special Report

Assessing the damage at U.S. brokerage houses in 1987. In Personal Investing. Pages 7-10.

### U.S. Panel Sees Risks In 3d World

By Joseph Fitchett WASHINGTON - Highly accurate nuclear and conventional

missiles have reduced the possibility of an all-out Soviet assault in Western Europe but increased the risk of limited nuclear strikes, possibly involving the superpowers in Third World conflicts, according to a Pentagon report. To maintain stability, the report

says, the West should concentrate on high-technology weapons capable of delivering surgical nuclear strikes and move away from weap-ons that threaten nuclear Armageddon and thus undermine support for nuclear deterrence in the United States and among its allies. Entitled "Discriminate Deter-

rence," reflecting its emphasis on greater flexibility in U.S. military weapons and tactics, the report was prepared by a bipartisan panel of 13 prominent defense specialists. They included Henry A. Kissin-

ger, the former U.S. secretary of state, and Zbigniew Brzezinski, President Jimmy Carter's national security adviser. Based on the work of four study teams and costing \$1.6 million, the report is intended to provide a long-term U.S. strate-

To be presented Tuesday to President Ronald Reagan, the report's impact on U.S. policy will depend largely on whether it influences the U.S. administration that takes shape after presidential elections in November, according to conservative U.S. strategic ana-

opment since World War II, according to Mr. Ikle. "The 30-year revolution in accuracies has more cumulative impact than the initial cumulative impact than the initial continued decline in New York qualitative leap from conventional could signal a new round of global explosives to the A-bomb," he said instability."

As missiles have become more accurate, smaller warheads - such The plane is being designed to fly as those carried on cruise missiles - can be connted on to destroy (6,100 kilometers per hour), or military targets.

The trend toward smaller war-See REPORT, Page 5



#### Redskins Beat Bears in NFL

Calvin Thomas sidestepped into the end zone Sunday to score a touchdown for Chicago, but the Bears lost to the Washington Redskins, 21-17, in the National Football League playoffs. On Saturday, the Minnesota Vikings pulled off their second upset of the playoffs, trouncing the beavily favored San Francisco 49ers, 36-24, to gain the National Conference title game, where they will play the Redskins. In the American Conference, the Cleveland Browns easily beat the Indianapolis Colts. 38-21. Stories, Page 15.

### Markets Jittery After Stocks' Latest Fall

PARIS - Financial markets, barely recovered from last October's turmoil, appeared headed for a new wave of unrest this week Fred C. Iklé, the under-secretary of a new wave of innrest this week defense for policy. He cochaired after the renewed plunge late Frither report with Albert Wohlstetter, day of stock and bond prices in New York.

hyst.

Improving U.S. and Soviet ability to knock out military installations with long-range, small-warhead nuclear weapons adds up to the most important military development since World War II.

"An early recovery on Wall Street," he said, "would leave only Tokyo down for the day, whereas a

On Friday, the Dow Jones average of 30 industrial shares, the leading barometer of performance 10 percent between mid-October on the New York Stock Exchange, and Dec. 23, when the United plummeted 140.58 points, or 6.85 percent, to close at 1,911.31. It was the index's third largest fall.

mered out the previous February.

**NEWS ANALYSIS** 

Wall Street in October.

As a result, the dollar sank about many, Japan, France, Britain, Italy

closed at 97 11/32, off nearly 2 ly on exchange markets."

The transmission of instability But Giles Keating, economist at in October was the dollar's weak-Credit Suisse First Boston in Lon-don, said it would be wrong to expect a replay of the ricocheting pects of companies outside the expect a replay of the ricocheting United States who would find it harder to compete against products

made in America. The currency agreement, which last week led to huge coordinated declines around the world set off by

official intervention from the seven The key difference between now as well as from outside countries and October, he said, is in the for- such as Switzerland, Austria and eign exchange market. In October, Singapore, "means that a key link Washington was in the midst of a in the chain of instability has been policy disagreement with West broken," Mr. Keating said. Germany and unwilling to contin-. The intervention, in the form of

se to support the exchange-rate, purchases of the dollar and sales of agreement that had been ham other key currencies, was triggered by a further 5 percent drop in the dollar from its Dec. 23 level

Although the dollar closed Friday in New York about 2 percent States and the other members of below its midweek highs, ending at the Group of Seven - West Ger- 128.35 Japanese yen, it was still 6.5 percent above the record low set and Canada - issued a new state- Jan. 4 against the yen. The U.S.

currency ended Friday at 1,6385 DM, almost 5 percent higher than its low against West Germany's Deutsche mark, also Jan. 4.

If U.S. trade figures for November prove disastrous when they are released this week - rumors in Chicago had the deficit soaring to \$20 billion from October's record \$17.6 billion shortfall - Mr. Keating said the central banks might stand back and let the dollar fall sharply, before stepping in to drive

What seemed to unnerve Wall Street most on Friday was the report that the U.S. unemployment rate fell in December when jobs grew by 326,000, considered a big

"Wall Street was oversold on the coming recession," said Jerome fice in March 1985. Sanwa Bank International in London. A slowdown in the United States was widely forecast because of the effect October's crash would have on the willingness of consum-ers to go on spending.

The employment gains are wideinterpreted as beralding an overly rapid rate of economic growth. Such growth could begin to fuel demand for higher wages; contin-ued high demand for imported con-

See MARKETS, Page 13

### Kremlin Renews China Bid

#### Gorbachev Tells Beijing Magazine He Wants Summit

By Philip Taubman

New York Times Service MOSCOW - Mikhail S. Gorbachev proposed a summit meeting China in an interview published Sunday in a Chinese maga-

The Soviet and Chinese leaders have not met since 1959, when Ni-kita S. Khrushchev beld talks in Beijing with Mao Zedong.

The interview in the magazine Liaowang the first time in more than a quarter century that a Soviet leader has directly addressed the Chinese people, underscored Mr. Gorbachev's desire to move ahead more rapidly with the normalization of relations between the world's two largest Socialist societ-

The senior Chinese leader, Deng Xiaoping, rebuffed a similar offer by Mr. Gorbachev in early Decem-

However, the publication of Sunday's interview suggested at least tacit Chinese approval of Mr. Gorbachev's proposal and the generally positive views be expressed about relations between Moscow and Beijing. Relations have improved in re-

cent years, but major political differences remain

Chinese officials have responded warily to Mr. Gorbachev's effort to restore a measure of the friendship that bound the two countries together before their bitter split in the

The Chinese have said that relations cannot be fully normal until Moscow withdraws its forces from Afghanistan, reduces the number of troops along the Chinese border and ends its support for the Victnamese presence in Cambodia.

The interview, as made available in Moscow by the press agency Tass, offered Mr. Gorbachev's most optimistic assessment of relations with China since he took of-

Gorbachev said, "and we feel satisfaction with the accelerating mutually advantageous cooperation in economy, culture, science, education and sport.

Soviet-Chinese border negotiations have made a successful start. Political dialogue is being established. A Soviet-Chinese summit meeting could become, in our view, its logical development."

Mr. Gorbachev, reiterating Mos-See SUMMIT, Page 5

### **Head of Exchange Says** Fresh Plunge Possible

man of the New York Stock Ex- was then a one-day record. change said Sunday there was "no guarantee" that a stock plunge par-alleling that of Oct. 19 would not selling began that rivaled the his-

But John J. Phelan Jr., responding to concerns about Friday's 140.58-point decline in the Dow Jones industrial average, said he hoped that institutional investors had learned a lesson from the October market collapse. A presidential panel on Friday

cited computerized block sales by a small number of institutional investors as a major factor in the 508-point nosedive of the Dow Jones industrial average on Oct. 19. "Of course there is no guaran

tee" that a major decline in the index of 30 major stocks will not occur again in the future, Mr. Phelan said on the NBC television program "Meet the Press."

But he added, "I would hope that those people who were active in this market and using those mechanisms in the weekend of Oct. 19 have learned something about not only how to protect themselves, but also their responsibilities to the market, and their responsibilities to 180 million Americans, who either directly or indirectly invested in

On Oct. 16, the Friday preceding

Compiled by Our Staff From Dispatches the drastic Oct. 19 plunge, the stock WASHINGTON — The chair-index fell by 108.35 points, which When traders returned to work

> The Brady panel said a few big financial entities were behind the Oct. 19 plunge. Page 11.

torie market downturn of 1929. In the weeks that followed, prices fell still further.

Friday's decline in the Dow, the third-biggest in history, has raised fears about the potential for anoth-

er steep drop Monday. Mr. Phelan also said be was not troubled by a recommendation by the presidential panel that the Fed-

Reserve Board, the U.S. centrai bank, be given expanded regulatory powers over related ements of several markets. He said he agreed "that some agency needs to be" in charge, "and I don't have a particular problem with the Federal Reserve." The Fed

has not said it would accept a supervisory role, however.

The task force appointed by President Ronald Reagan to study the October collapse was headed by Nicholas F. Brady, a former Re-

See PANEL, Page 13

## Gaza Starts to Take On Look of Lebanon

By John Kifner

KHAN YUNIS, Israeli-Occuligence all over the world. Today, pied Gaza Strip — A battered SR-71 pilots and reconnaissance white Peugeot pulled up to the officers photograph Iranian naval roadblock the Palestinians had and air bases to provide informathrown across the main highway tion to U.S. ships in the Gulf and through the Gaza Strip, and the through the Gaza Strip, and the driver opened the trunk to reveal SR-71s photographed potential his cargo: eggplants, tomatoes, targets for the two U.S. bombing scallions and potatoes.

A few miles to the north, an raids on Libya in the spring of 1986 and of Cuban positions in Grenada Israeli military helicopter was just before the U.S. invasion in dropping tear-gas canisters into the 1983, officials said. The planes also Dier Balah refugee district. Just to monitor Soviet arms shipments to the south, Khan Yunis had been sealed off by the army for five days, The officials said the new plane after clashes in which an 18-yearwas being developed to fill a gap in old Palestinian was shot and killed. photo intelligence caused by the

"We have been collecting food aging of the SR-71s and their scar-city. The officials said some of the family helps out," said Sheikh Akram Aqad, a Moslem clergymen directing the score of men at the roadblock as another car arrived with its backseat, as well as its trunk, piled high with cauliflower. "The camp has been under siege

for nearly a week, and the bospital

asked for food, too," he said. "If

the Israelis catch one car, another

gets through by the backroads."

The Israeli Army banned jour-nalists from the Gaza Strip on Saturday, declaring the entire district a army and the protesters, the streets closed military zone. But to four U.S. reporters, whose car slipped past the military checkpoints, the Palestinian roadblock in the midst of a huge military deployment was only one of several scenes indicating that what started with teen-age rock throwers has grown into a confrontation with most of the population.

ists have said it includes materials Palestinian protesters in Gaza blocked cars of television crews and photographers on Sunday as the unrest continued.

As the clashes went into a second month, the refugee districts and villages up and down the Gaza Strip were clearly identifiable by the pillars of black smoke on the horizon, rising from burning tires set in the concessions in principle in August streets as barricades.

Steel shutters were locked down burning tires, ready to throw rocks. Israeli soldiers set up check- more pessimistic than it was last

ment to ban chemical weapons, serious and complex differences reover storefronts in a general strike. main and are likely to prevent the United States and France bear weapons, using two harmless The streets were empty, except for signing of the accord this year, acthe knots of young men and boys cording to U.S. and West German gathered on corners or around the officials. The Western view is significantly

In many places, where pitched ites, were bung from power wires battles had gone on between the and flew atop mosques. Moving between the pockets of army checkpoints and the Palestinwere a shambles, filled with stones

Some streets were blocked by wrecked cars. Palestinian flags, banned by the occupation authori-

By Robert J. McCartney

Washington Post Service

BONN — Despite major Soviet

and chunks of concrete, pieces of ian towns and districts was remimetal and smoldering rubber. niscent of passing between areas in Lebanon controlled by rival mili-See ISRAEL, Page 5

The latest assessment has also

West Germany says it agrees

prevent cheating on the accord.

with the United States that Mos-

cow, although accepting in princi-

ple the need for on-site inspections

has been reluctant to spell out de-

tails of how such a verification plan

much of the responsibility.

should work.

Chemical Arms Accord Is Seen as Unlikely in '88

Nevertheless, Mr. Genscher ucism over the feasibility of verifytouched off a dispute in the North made it clear that be is unhappy ing a ebemical-arms accord. Bonn Atlantic Treaty Organization over with the the United States over the who is to blame for the delay in resumption of manufacturing of on how to verify a proposed agree- progress. The West German for- chemical weapons last year after an

> chemicals that become lethal when combined. Moscow has warned that U.S. production of chemical weapons could derail the negotiations, al-

though it has pledged to continue negotiating. Mr. Genscher also criticized what be described as Western skep-

government officials said his comments were intended for the United States and France. eign minister, Hans-Dietrich 18-year suspension. The United "We see, not without worry, Genscher, has suggested that the States began producing new binary

voices now growing louder in the West which raise doubts about whether verification is at all possible in the area of chemical weapons," Mr. Genscher said, "and this could create new obstacles for condusion of a treaty."

U.S. officials, responding to Mr. Genscher's criticism, said the Unit-See BAN, Page 5

going chicf e the iaries is are

best i Ste-Asset on in ading siness,

call -690

MAL HERALD TRIBUNE

iffred Ad Quickly and for

MEDDLE BE

sonnel carriers with machine guns that the convention could be ready mounted on the top rumbled by. for signing in early 1988.

points at the main intersections. At spring, when delegates to the 40-

intervals, convoys of armored per- nation talks in Geneva predicted

### Elie Wiesel, Gathering Laureates for Eclectic Conference

Elie Wiesel, who in 1986 became the first writer to be awarded the Nobel Peace Prize, is co-sponsoring with President François Mitterrand of France a meeting of Nobel laureates in Paris on Jan. 18-21. The theme of the conference, which 80 Nobel prize winners from all disciplines are expected to attend, is "Facing the 21st Century: Threats and Promises." He was interviewed in Paris by Charles Mitchelmore of the International Herald Tri-

Q. What kind of message do you hope to send from this conference?

A. First of all, what we call in France a prise de conscience. The English expression is nice, it's "consciousness raising." I think we will try to call it "a message from Paris," un message de Paris: that this century which Hannah Arendt called the most violent in history has been a century of abdication in many fields. Culture has abdicated, ideologies have betrayed. If ever there was a century with

By Roberto Suro

New York Times Service ROME - Alexander Dubcek,

the Czechoslovak leader ousted by

Soviet-led troops in 1968, says he

sees a "profound connection" be-

tween the changes he tried to initi-

Party newspaper, said Mr. Dubcek, who has lived in obscurity since

Warsaw Pact armies invaded

Czechoslovakia in August 1968,

had provided more than 50 pages

of written responses to questious

and had met in Prague with the

paper's deputy editor, Renzo Foa.

the most complete expression of

Mr. Dubcek's views to be made

siderable sympathy and hope about the Soviet leadership but was

less sanguine about the situation in

Dubcek said: "It is indispensable. I

could have been accomplished in

country and for socialism."

public since his overthrow.

L'Unita called the exchanges as

are 20 years ago and those being cek's movement recently signed a undertaken by Mikhail S. Gorba-statement also making a compari-

chev, the Soviet leader, according son between the "Prague Spring" and Mr. Gorbachev's program. L'Unita, the Italian Communist

Mr. Dubcek, 66, expressed con- which unites the ideas and the orig-

**Saudi Calls Paintings** 

PARIS — The Sandi businessmillion."

work. This was the testimony of

experts who examined them. The

whole collection is worth perhaps

Saudi had purchased 31 paintings

from Mrs. Marcos, sold 20 to art

collectors for \$5 million and kept

the rest. Mr. Khashoggi said he had

voluntarily given up nine of those in the French authorities when they

Mr. Khashoggi did out identify

any of the artists whose work was

involved, but he said be was "fairly

BACHELOR'S . MASTER'S . DOCTORATI

Send detailed resume for free evaluation.

PACIFIC WESTERN UNIVERSIT

For Work, Academic, Life Equ

UNIVERSITY

came searching for them.

\$7 million."

that at least a third of 31 paintings great works," he said that be bought from Ferdinand E. He also said he dou

In Marcos Case 'Cheap'

were reproductions of masterpieces attorney general, Edwin Meese 3d, and that several "cheap ones" were who was in Paris on Thursday to

Mr. Khashoggi, who spoke in a cally impossible that any paintings telephone interview Saturday from seized by the government can be

Marbella, Spain, said the paintings turned over to a third party."

Were "not so valuable."

A U.S. official said Thursday

"They are so-so paintings," he that the paintings were "extremely said. "Some are not authentic valuable" and "by well-known

A lawyer for Mr. Khashoggi, Mr. Khashoggi was holding works
Jean-Pierre Sallanic, said that the
by such artists as Monet, Boucher,

**WORLDWIDE ENTERTAINMENT** 

The most famous night-club

in the world.

8 p.m. dinner dance, champagne and show F 495.

10.15 p.m. and 0.30 a.m., champagne and show F 340.

Service included

Tel.: (19-1) 45.63.11.61 and agencies.

116 bis, Champs-Elysées, Paris-Telex 641433 F

among those turned over to the attend an Interpol meeting.
United States by France.

Mr. Sallanie exid it was "

And the question is what kind of legacy are we going to leave for the next one. And the message will be, that it's up to us, it's really up to us. Since the subtitle is

#### MONDAY O&A

"threats and promises," it's really up to us to turn the threats into promises. That's the message.

Q. Aren't you afraid that this might be viewed on the one hand as a sort of fullpage advertisement in The New York Times signed by famous people and, on the other hand, as sort of an involvement in French politics.

A. There are two questions there; the common factor there is the fear. Of course I'm afraid. As for the first, what is the alternative? Not to do it? Of course the danger exists. But what then, not to do it? As for the second, I know that some people will say that, but I am trying my best to depoliticize the project. In other words, I know we are very close to the elections, but the president accepted

gram of political liberalization and man who presided over the liquida-economic changes initiated by Mr. man who presided over the liquida-tion of Mr. Dubcek's program,

**Dubcek Sees 'Profound Connection'** 

The "new course" was the pro-

Dubcek that came to be known as

A group of 43 Czechoslovak

Communists involved in Mr Dub.

statement also making a compari-

Party daily, Rude Pravo, dismissed

the notion, and Tass, the Soviet

In L'Unita's interview, Mr. Dub-

cek said "a mechanical compari-

son" between his program and Mr.

Gorbachev's could not be made,

although "there are here and there

similarities in the fundamental

sources of inspiration -- not an

identity, but a notable resemblance

press agency, did much the same.

socialism with a human face."

Between '68 Effort and Gorbachev

little hope, it is certainly this century. the idea in 86. At that time, the idea of such fear didn't exist because it was so far

> Q. With an agenda going from AIDS to disarmament and culture to peace, aren't you afraid that the focus may be

A. What is the focus? There are so many problems, so many emergencies, not only urgencies, in the world. By definition, the people who are coming, the people who are coming are among the best, although not all the people wbo should be at the conference can come because they don't have the Nobel, but they deserve the Nobel. But those who are there naturally are almost by definition among the best, and therefore they should pay attention to everything that happens in the world. There are many problems that should be number one.

Right now the question of Israel and the occupied territories, which you have written about earlier, is very much in the headlines. Have you thought more

Tass reported Saturday that the

Gustav Husak, the former Czecho-

slovak leader, had received the Or-

der of Lenin, the Soviet Union's

L'Unita did not say whether Mr. Dubcek had clearance from the

state authorities to express his

views publicly, although it said he

had traveled in Prague from his

home in Bratislava, a trip that

would presumably require official

The same programs he tried to carry out in 1968, Mr. Dubcek said,

"today could be the most practical

way to overcome divisions in soci-

by the new Czechoslovak leader,

Milos Jakes, "are words to be

est rates might soar, stock markets

judged positively, but concrete acts will be decisive."

But be said changes announced

highest state award.

ety and the party."

love Israel with all my heart. And nam-should be done? rally when we saw on television pictures of Israeli soldiers being forced to fire the main East-West questions of disareven rubber bullets or use tear gas against children, it hurts, it burts terribly. But the United States over the summit. do then what should Israel do? I don't know what Israel should do. Give up? They cannot give up. Compare Israel to other nations, and then I would tell you that Israel does not have to take lessons from anyone. If you compare Israel to France. in the colonies. Or even to the United States, what we have done in Vietnam. And Israel comes out much better than all of the others. And yet, France was not Algerian war. The United States was not threatened in her existence during the Vietnam War. Britain was not threatened in her existence during the colonial peri-od. Israel is threatened, the only country in the world whose existence is jeopardized. I believe that Israel does act with restraint. Nevertheless, it hurts, I must

A. I am profoundly linked to Israel. I un see Israel in such a situation. But what

Q. Your conference will also get into mament and peace. After the euphona in you have a feeling for the longer range effect of glasmost on the Americans?

A. I was less euphonic. I was one of the organizers of the march on Washington. f had the idea two years ago in a piece for The New York Times, saying that the what the French have done in Algeria. Or time has come for the civil rights march in the British, what the British have done of the 60s to be followed by the human rights march for Soviet Jewry of the 80s. And therefore I spoke there and I was very gratified to see 200,000 people come. Jews and non-Jews, to that demonstrathreatened in her existence during the tion. As much as I am glad whenever world leaders meet to reduce armaments. the proof must always be illustrated in burnan terms. How can I expect Mr. Gorbachev to feel sorry for billions of people when he doesn't feel for a few people, for a few thousand people who are either in camp or in prison or simply in expectation or in anguish because say, me as a Jew who loves Israel, it hurts they're waiting for visas.

### WORLD BRIEFS

iking

Juring 30

#### Philippine Mayoral Candidate Slain

MANILA (UPI) - Gunmen killed a mayoral candidate, and Commo nist rebels freed two kidnapped politicians Sunday as the Philippine accumpaign for local political offices entered its final week.

Gunmen in central Capiz Province shot and killed Agustin Quiran, who became the 30th candidate slain in election-related violence since the

campaign began Dec. I. The two kidnapped politicians, who are associated with President Corazon C. Aquino's ruling coalition, were freed unharmed by the rebels They were Eduardo Rodriguez, a candidate for governor of Quezon Province, and his running mate. Robert Racelis. They were released after negotiations with military authorities.

#### Haiti Bars 8 Duvalierist Candidates

PORT-AU-PRINCE, Haiti (Combined Dispatches) - The govern ment-appointed Electoral Council has announced that it will not allow eight former officials of the deposed Duvalier regime to run for president The council also approved the candidacies of 11 presidential aspirants and disqualified three others.

An electoral commission handpicked by the military led government had been expected to include the eight in a list of presidential candidates for the voting on Jan. 17. The military was widely thought to have been putting pressure on the commission to include the Duvalierists."

The commission's surprise announcement late Saturday was said to have shocked the Duvalierists. Haitians said they feared the dropping of the candidates might lead to another outburst of terror killings. Tomons Macoute militiamen led a day of such killings on Nov. 29 to disrupt the

Egypt Pledges Support to Gulf States.

RIYADH (Reuters) — President Hosni Mubarak of Egypt discussed the Gulf War with senior U.S. and Saudi officials on Sunday and warriest that Egypt would not tolerate an Iranian attack on Gulf Arab states. After arriving in Saudi Arabia at the start of a tour marking the restoration of full diplomatic ties with Gulf states after a nine year break because of regypt's peace treaty with Israel, Mr. Mubana, had separate talks with King Fahd and the visiting U.S. defense secretary, Frank C. Carluction the U.S. naval presence in the Gulf and on ways to improve

Mr. Mubarak, who later flew to Abu Dhabi, told King Fahd that Egypt was committed to the security of the six states of the Gulf Cooperation.

Council. A senior Egyptian official quoted Mr. Mubarak as saying this.

Cairo would implement a 1950 joint Arab defense pact if any Gulf states.

#### Study Criticizes U.S. N-Plant Security

NEW YORK (NYT) —A major study of the monitoring of radiation at U.S. nuclear power plants has concluded that better equipment and procedures are needed in the plants and in nearby areas to achieve safe.

operations and inspire public confidence. The nationwide study said the changes were needed despite improvements since the Three Mile Island reactor accident in 1979. The study was to be released Monday by the Three Mile Island Public Health Fmit a research organization established with money from a settlement with the

It called for some unusual steps, including requesting tissue samples from people living near nuclear plants, both while they are alive and in autopsies, to determine if there was evidence of radioactivity.

#### Bomb Kills 8 on Train Near Rangoon

RANGOON, Burma (Reuters) - A bomb exploded Sunday in a packed car on the Mandalay-Rangoon express train, killing eight persons and injuring 38, the official radio said.

The radio blamed the Karen National Union, one of about a double insurgent groups that has been fighting the military-led government features.

40 years.

The officials said the bomb was placed under a wooden seat in the fourth car from the front. It blew up at 8:45 A.M. when the train had traveled a short distance from the suburban station of Pazundaines on the outskirts of Rangoon, It was the worst reported attack on civilians since 1985, when 60 people died after a mine blew up under a train.

TRAVEL UPDATE

### Asked what he thought of perestroika, Mr. Gorbachev's program of economic restricturing, Mr. The Trade War: Japan and U.S. Need Each Other their dollar-based holdings back to the United States is intervening in

By Susan Chira

salute it, and I support it because I New York Times Service find in it a profound connection TOKYO - In the high-stakes with what presented itself to us 20 game of trade war, Japan's strong years ago. I think that there has been time lost, I think about what hand does not ensure victory.

Americans have come to realize these years with the 'new course' that Japanese bold powerful cards - their billion-dollar investments and about the advantages which there would have been for our in U.S. stocks, bonds, real estate and factories. If the Japanese

He also said he doubted that the

Mr. Sallanie said it was "juridi-

names." A Philippine government

spokesman said that some of the

paintings were by "masters." Offi-cials have said they believed that

Pissarro, Rubens and Hals for the

Marcoses.
U.S. Justice Department offi-cials said that nine of the 31 paint-

ings had been turned over to Mr.

Mecse at the U.S. Embassy in Par-

is. There were reports that the

works were flown to the United

The paintings are evidence in a

criminal investigation of Mr. Mar-cos that is being conducted by the attorney general's office in New

The U.S. interest in the case

stems from a request of the federal

court in New York, which has fro-

zen the Marcos assets. The action

was taken after the government in

Manila filed a suit charging that the

paintings were stolen property pur-chased by the Marcos family with

public funds belonging in the Philippines.

States on Mr. Meese's plane.

the precipitous fall of the dollar until the United States decided last week to lend a hand. Such growing combat, making it riskier for each erful on our own." side to exercise the power it holds.

its own economic health.

By Youssef M. Ibrahim sure" the nine paintings he turned threaten to slow world economic the yen rose higher and higher, cutover "are not worth more than \$2 growth. Japan's only weapons to ting into Japanese exporters' prof-force such changes are threats to its and eventually forcing them to man Adnan M. Khashoggi says "It's not what people think of as

pull its investments. Marcos, former president of the French government had permitted. Philippines, and his wife, Imelda, the paintings to leave with the U.S. American recession would mean prop up the dollar, to no avail. U.S. consumers would buy fewer Japanese goods. And as the Octo- erument bonds, worried about pober stock market collapse demon-tential losses when they converted

By Mavis Guinard

Special to the Herald Tribute

outside candidates, few are far-

ther out than Andrew Sundberg.
From his home in Geneva, Mr.

Sundberg is running for the presi-dency of the United States. He

hopes his campaign will draw at-

tention to the problems of Ameri-

"My campaign, even if limited in the overseas community, will

be the first chance Americans

abroad bave ever had in express

themselves in a sort of referen-

In Washington, the Congres-sional Research Service said that

a candidacy by an overseas American had never been tested

in the Supreme Court but that the

constitution seemed to present no

obstacle. It states that a president

must be at least 35 years old, have lived 14 years in the United States

and must be "a natural burn citi-

Mr. Sundberg, who fits those

criteria, was chairman of the

Democrats Abroad organization

for four years and has represent-

ed it as a member of the Demo-

cratic National Committee since

Democrats Abroad has the

dum," be said in an interview.

cans abroad.

GENEVA -- When it comes to

pulled these investments to retali-strated, a collapse on Wall Street ate for U.S. trade sanctions, inter-shakes markets in Tokyo, too. "Japanese are aware that if they

tumble and jobs disappear.

Yet Japan cannot play this winning hand. To do so would threaten its own economic health.

use the leverage they have, it will backfire," said Masahiko fshizuka, editor of the weekly English-lanits own economic health. guage Japan Economic Journal and For all of Japan's economic mus- a writer on economic affairs. "Our cle, its central bank could not stop power, after all, depends so much

#### **NEWS ANALYSIS**

economic interdependence is on America If America is ruined, changing the old rules of trade we will not be able to remain pow-

It was only last week that Japan For the last year, Japan has had was granted one of its wishes — two main economic policy goals — U.S. support to keep the dollar to persuade the Umited States to from falling further against the yen. stem the dollar's slide and to cut its For more than a year, Japanese For more than a year, Japanese budget and trade deficits, which officials had pleaded for relief as

raise dollar prices, at least to some Yet Japan has a huge stake in extent. The nation's central bank American economic health. An spent billions of dollars to try to Japanese investors in U.S. gov-

ther lower their value against yen. Just by their considerable presence, however, Japanese investors make the American economy more

Alexander Dubcek, left, talking with Renzo Foa of L'Unita, the Italian daily, in Prague.

worldwide concern over U.S. budet deficits belped spark the Wall Street collapse in October. stock markets, some Japanese be- courages consumers to buy. They

"The United States does realize if they lock the Japanese out, the stock market in Japan will be jolted and that will eventually hurt Wall Street," said Kazuo Nukazawa, directur of international affairs at there is a risk that stock prices the stock prices and continue to fall as investors.

From Geneva, a Candidate for the White House

business group.

"My reading," be said, "is that the American economy.

said Dr. Harold Foccke, of the

Democrats Abroad Election Committee in Paris. "Our rules

and regulations don't exactly cov-

er this situation. But nothing pre-

vents delegate candidates to pledge to Andy."

A spokesman for the Demo-cratic National Committee, Julie

Anbender, said in Washington,

T've never heard of this kind of

candidacy before, so 1 would

have no way to speculate on its

impact, if any, at the national

Mr. Sundberg, 46, was born in New Jersey but went abroad with

his family when he was 12. He

attended a U.S. military grade

school in Japan and high school in Wiesbaden, West Germany.

He then went to the U.S. Naval

Academy at Annapolis, Mary-

land, and was graduated fourth in

Later, as a Rhodes scholar at

"In the 70s, I discovered that

Oxford University studying eco-nomics, he met his French wife,

my children had a citizenship problem under U.S. law," he said.

"Having participated in the Cu-ban quarantine and served in

convention."

bis class.

yen, threatened to stop buying the foreign exchange market now bonds. But their very threats often simply because the further apprecihelped to weaken the dollar more, ation of the yen will job the Tokyo as currency traders anticipated that stock market, and that will burt less demand for dollars would fur- Wall Street, and that would eventually hurt Republicans in the elec-Similar pressures may force the

United States to cut the budget dependent. The United States can-deficit, which Japanese believe not ignore the links between its swells the U.S. trade deficit. economy and Japan's. Mounting Although Americans blame Ja-

pan. Japanese economists say the United States is borrowing from Japan to keep its economy boom-Continuing jitters over global ing. An expanding economy enlieve, may now limit the U.S. abili- keep buying Japanese goods and ty to take sweeping protectionist the trade deficit increases.

A Japanese Foreign Ministry of-Keidanren, Japan's powerful big- could continue to fall as investors turn gloomy about prospects for

zens.' I felt that unfair.

change

"I also felt that nur democratic

system is good and responsive

enough that if this unfairness was

brought to the attention of the

right people, the law would

As campaign planks, Mr.

Sundberg seeks:

To eliminate anomalies that

can prevent certain Americans

passing their citizenship to their

children because of complica-tions involving prior U.S. resi-

dency requirements, and to en-sure that no child of an American

• To give overseas U.S. citizens

To allow Americans overseas

to participate voluntarily in So-

cial Security.

To extend Medicare cover-

age for overseas citizens who have

• To return to a system of tax-

ing Americans according to their residence rather than their citi-

zenship to avoid double taxation.

American schools and teachers

• To provide greater protec-

• To increase support to

representation in Congress.

ends up stateless.

helped pay for it.

abroad

Vietnam, it seemed a strange way toon against rapid fluctuations of to say 'thank you for risking your the dollar for military personnel

life for your country and now and their dependents while based we're going to tell you that your overseas.

#### Italian Strikes Hit Rail, Air Travel

ROME (AP) - Most Italian trains operated on schedule Sunday as a 24-hour strike by engineers failed to gain wide support, but air travelers

were expected to face disruptions Monday.

The state-run railroad said there was only "modest adhesion" to the walkout and that 90 percent of trains were on schedule, with only a few local runs canceled. The strike, scheduled to end at 2 P.M. Monday, was called to protest plans to reduce the number of engineers per train from

Monday's strike by airport ground workers was expected to have a wider impact. Alitalia said that many flights to and from Rome and Milan airports would be canceled, although interconfinental flights would operate normally. Staff planned to walk out in Rome from II A Man to 7 P.M. and in two stages in Milan: from 6 A.M. to 10 A.M. and from 6

investigate ways of reducing delays that residents of the British colony have encountered in entering Spain, Foreign Minister Francisco Fernán dez Ordónez of Spain said Saturday. (Renters

airports, the Lusa press agency reported.

Banking and government offices will be closed or services curtailed in the following countries and dependencies this week because of national and religious holidays:

TUESDAY: Tanzania.

WEDNESDAY: Togo.

SUNDAY: China.

#### Correction

#### DOONESBURY







# Cuba Raises Troop Strength in Angola to 40,000

By David B. Ottaway

intelligence estimate to date and volvement in southern Angola. one that seems to confirm reports of a new Cuban military buildup in

the southern African nation.

The figure is at least 3,000 more than the highest used by the Central Intelligence Agency and the Defense Intelligence Agency and 5,000 more than a Cuban defector,

Andrew Sundberg

Convention as a state party.

Overseas Republicans have no

Registered Democrats overseas

will receive two ballots in a postal

primary, which will be counted on March 22, before the July con-vennon in Atlanta. One will be to vote for 10 delegates in the con-vention who will either support a

specific eandidate or run uncom-

mitted. The other is a vote for

president, which is where Mr.

Sundberg will appear on the bal-

lot in direct competition with the

"No one imagined there could

other candidates.

same status at the Democratic be a 'favorite son' from abroad."

such status.

has 40,000 troops stationed in Angola, a figure higher than any U.S. creased South African military in-

role in Angola's effort to repel according to Angolan sources.

to a decision by the Cuban leader, with Angolan authorities in Luan-Fidel Castro, to commit Cuban da on these two issues. The Reagan troops for the first time to an active administration has insisted that the South African military incursions, United States will extend diplo-The expanded Cuban role comes

Assistant Secretary of State

Chester A. Crocker is scheduled to The two developments have led leave this month for negotiations Cuban troops leave before the

sent in Angola early last summer. newing efforts to persuade Angola troops appeared tast week in the Washington Post Service

The Cuban buildup is apparently
WASHINGTON — A senior in response to recent Angolan gov ingent home and South Africa to reprinted an interview by a Swedcuban official has said Cuba now ernment setbacks in its 12-year-old grant independence to neighboring ish correspondent with Jorge Risquet Valdes-Saldaña, a member of the Cuban Communist Party's rul-

Mr. Risquet dismissed an allegation by the former general, Rafael del Piño Diaz, who defected in June and has estimated Cuban war casualties in Angola at 10,000 dead and wounded since the Cuban matic recognition to the Marxist
Angolan government.

The first to one Color of the an air force general, said were pre- as the Reagan administration is re-. The figure of 40,000 Cuban for the number of wounded.

ing Political Bureau.

P.M. to midnight. Spain will send an official to its border with Gibraltar this week to

Thick fog covered Lisbon on Sunday, forcing planes that were sched-uled to land there to fly instead to southern and northern Portuguese

#### This Week's Holidays

MONDAY: Albania, Colombia, Iraq, Iran, Nepal, Puerto Rico.

FRIDAY: India. Japan. Sri Lanka. SATURDAY: Benin.

Source: Margan Guaranty Trust Co., Remers

An article in the Jan. 9-10 editions of the IHT said that a decision by The Economist of London to close its editorial office in Singapore was made after the government of Singapore cut the circulation of the Ear.

Eastern Economic Review in December. The Economist says it decided. in October to leave Singapore.







STATE A

Carabana -

posed filter to Till

Service.

Care and

ecolor in

**45** .2.

hprotrag --

Edicate 1

of Edmand 1 2

Entered to the second

Commercial Commercial

Bills (Anna.)

SCOREBO

EASTERN CONFERENCE

50 m

Page at art; ( . in:

Selected U.S. Co

FRIDEYS ST.

trary transfers.

The budget reprieve, contained in the State Department authoriza-tion bill signed into law by Presi-

dens Ronald Reagan on Dec. 22,

was the result of fierce lobbying on

Capitol Hill by Secretary of State

George P. Sbultz, the White House chief of staff, Howard H. Baker Jr.,

and ranking officials from the State

Management and Budget.

Department and the Office for

During the four-week "budget summit" meeting, the inrtuous talks between the White House and

congressional negotiators to reduce

the federal deficit, a consensus

emerged in the budget committees

that the State Department needed

more money to operate efficiently. Department budget analysts ac-

knowledge that their cause was

helped by the dramatic slide of the

dollar that occurred just as the

meetings began.
In the end, the State Department

was granted \$1.69 million for sala-

ries and expenses, about \$60 mil-

lion more than the department ex-

sales

Charvet

STARTING JAN. 14 TH

in Londons
Most Fashionable
Setting

The Chesterield Hotel Delace
St Charles Share States County Charles States States County County County Wix 81, England

Quiet Elegance

stitu-

rs are ssible often

best i Ste-Asset on in ading siness,

yoral candidate, and Consum Soundary as the Plain Bled for Dole and Haig and killed Agustin (Sanstan Rev Peter Applebome Texas is the most populous station-related violence state of the Peter Applebome among 20, mostly in the South, it and minaries and cancer freed unharmed by the the iate for governor of Conscient. They were released

st Candidates Dispatches) — The succession for s of 11 presidential appr

the military led governor list of presidential canible i widely thought to have lost inde the Duvalierist and Late Saturday was said of they feared the dropped inst of terror killings lost ags on Nov. 29 to diamy it (AP, Resignation).

t to Gulf States Mubarak of Egypt dense ficials on Sunday and wast strack on Gulf Arab sun start of a tour marking states after a une-per het

Mr. Mubarak had spine
defense secretary, Fine Gulf and on ways to imper bi, told King Fahd that by ates of the Gulf Cooperate

Mr. Mubarak as saying we can before pact if any Gulf and make appropriate action."

Mr. Mubarak as saying we can be seen any Gulf any Gulf and take appropriate action."

Mr. Mubarak as saying we can be seen any Gulf and take appropriate action." -Plant Securit of the monitoring of raining of that better equipment is nearby areas to achieve

vere needed despite impre cident in 1979. The snays Island Public Health Find by from a settlement with

ng requesting tissue same it while they are alive and e of radioactivity.

Near Rangoon omb exploded Sunday is ess train, killing eight pone

military-led government

under a wooden searing 45 A.M. when the trainie n station of Pazundame it reported attack on civilia ne blew up under a min

DATE

, Air Travel ated on schedule Sanday a ide support, but air travels

ly "modest adhesion" to b on schedule, with only 16 o end at 2 P.M. Monday, # it of engineers per unit he kers was expected to law!

hts to and from Rose ngh intercontinental fin A.M. to 10 A.M. adford

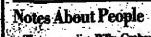
with Gibraltar the with sidents of the Britishin Minister Franciso Funds ring planes that seest

losed or services curaint his week because of unit erral Partie Rate

n Guitarii Tras (a Rome)

· IHT said that a deci rial office in Suspensian the circulator disk





members."

The evangelist Billy Graham says he is weary of the world's iniquities and ready to move on to heaven. But he no longer talks about returing: "I've quit that because I feel so good." Mr. Graham, 69, has a heavy schedule of preaching forays for the coming year; including another visit to the Soviet Union. Even so, "I'll be glad when the

among 20, mostly in the South, that New York Tones Service among 20, mostly in the South, that HOUSTON — Republican offi- are to hold primaries and caucuses

FBIIs Asked to Probe

For Fraud in Petitions

in Texas have asked federal

encies to investigate charges that slows filed for the state's presi-

them and did not plan to

ote in the Republican primary.

a permon had been dead since

Haig campaign officials also alled for a full investigation. Republican officials, who re-

But they did not discount the possi-

bility that the candidates names.

could be removed from the ballot if

they did not contain the required 5,000 legal signatures.

U.S. Team Heads

For Main Soviet

**Nuclear Test Site** 

The Associated Press

underground nuclear explosions.
The U.S. Embassy said that the

Taxpayers Soaked

For Turning the Tide As ocean levels rise along all

major American coasts - At-

tantic and Pacific, Gulf of Mex-ico and Great Takes — Ameri-can taxpayers find themselves balling out those who build too

close to eroding shorelines, the

Los Angeles Times reports.

The National Academy of

sences says the Earth's atmo-

spliere is warning with the burning of fossil fuels, melting polar ice faster, with higher temperatures expanding the ocean. The seas are expected to

rise between two and five feet

(60 to 150 centimeters) during

the next 100 years, twice to five times the rate during the past

Meanwhile, people whose buildings fall into the sea can collect federal flood insurance.

Before this happens, they often persuade local communities to

restore beaches, a temporary

"The medium-income person, as a taxpayer, is subsidizing the second home of the rich," says Jim Titus of the U.S.

Environmental Protection

Agency. Various state regula-

tions already bar construction

too close to shore, and federal

measures are being considered. Retreat from the shoreline

may be the best policy, said Raymond Sturza, town planner for Kill Devil Hills, North Car-

olina, but "more often than not,

those affected adversely by re-

treat are the community's most

clite, wealthy and influential

lliative, or build sea walls, which actually hasten shoreline

ippeared to be fraudulent.

One person whose name was on

State Republican officials said the petitions had been turned over to the FBI and Justice Department officials for investigation of possible felony violations.

persons tiled for the state's presidential primary by two Republican candidates. Senator Bob Dole of Kansas and Alexander M. Haig Ir. contained minerous forgeries.

The sequest, sent to the Federal Bireto of Investigation and a U.S. another, was made after The Dalias Stormey, was made after The Dalias Stormey. Dole Spars With Bush David Hoffman of The Washing-ton Post reported from Des Moines,

Morning News reported that moon checks with people whose mes were on the petitions found of than 50 who said they had not Mr. Dole demanded Saturday that Vice President George Bush release all documents and evidence about his role in the Iran-contra iffair, but Mr. Bush responded that Mr. Dole, the Senate minority lead-er, should "do a little bornework" and read material already delivered

1982 the newspaper reported, and some of the names of people listed as having circulated the petitions to Congress.
The vice president demanded that Mr. Dole and others release William E. Brock 3d, national Financial disclosure reports and tax chairman of the Dole campaign, said the reports of fraudulent returns. Mr. Dole replied: "He's just trying to change the issue."

The two leading Republican can nes appeared to be true. He said the flawed petitions were submitdidates' exchanges came after Mr. Bush's charge at a Des Moines Register debate Friday night that he had been unfairly criticized in the newspaper for failing to answer ted by temporary workers hired by a Houston company, which was paid to compile the petitions. To the best of our knowledge, there are more than enough legiti-mate names to qualify. Mr. Brock said. We are outraged. We've been had, and no one likes to be had. questions about his role in the Irancontra affair.

The vice president's statements at the debate, aimed at James P. Gannon, the debate moderator and editor of The Register, appeared to preempt criticism from most of the other Republican candidates. But Mr. Dole returned immediately to the issue Saturday morning.

quested the investigation Friday, were wary of assessing how wide-spread the irregularities could be. "It may be sort of the ghost of Spiro Agnew coming into lows and taking on the press," Mr. Dole said, referring to the vice president who criticized media coverage of Richard Nixon's 1972 reelection cam-

paign.
Mr. Dole also said Mr. Bush should make public "all data, all conversations" he had during the Iran-contra affair, except for his advice to President Ronald Reagan, which the vice president has refused to disclose.

"Why doesn't he release what we're all trying to find out about, The Associated Press the Iran-contra thing?" Mr. Dole MOSCOW—A team of 20 U.S. asked Mr. Bush made documents mion, one of about 1 het. Severnment experts flew to Ka- available to Congress, but the rezakhstan on Sunday for a tour of port of the congressional commit the Soviet Union's main miclean tees investigating the affair said lit-test site, a visit that could lead to the evidence was found concerning -ratification of two treaties limiting his role.

> Barker, the chief delegate to negoti- questions about his role. He said he ations on the treaties in Geneva, would "be glad" to release the docwoold be at the site for two days, uments Mr. Dole mentioned but The visit to the test range near added that he thought "some of empelairiesk, the first by U.S. of that is classified."

ficials, will be followed by a Soviet . "Why didn't he ask that last tour of the U.S. muclear test range night?" Mr. Bush asked, referring Societ tour will be led by Igor M. said the Senate investigated the af-Palenykh, Mr. Barker's Soviet fair and Mr. Dole "has access to counterpart in the talks."

The visits, agreed to during the the Senate."

Washington summit meeting in "I suggest he do a little home-December, are aimed at working work," the vice president said. "I out reciprocal experiments on de suggest he take a little time off from vices to monitor verification. The the campaign and read 'cm. And if experiments are tentatively sched- he has any specific questions, ask trict of Illinois.

calls me to heaven. I get tired down here sometimes." He added that "I cringe at so much suffering and immorality, the fraud and all the things going on. The biggest problem facing America is the moral situation, the scendels in business. Wall

the scandals in business, Wall

Street, sports, in every area, even the church." He said the

sex-and-money scandal that toppled the television ministry of Jim and Tammy Bakker at

least "caused everybody to real-

ize there must be financial ac-

If Buses Can Do It,

Why Can't Airlines?

Although the Federal Avia-tion Administration says air-

lines should limit the number of

carry-on bags brought aboard

by passengers. The Washington Post says in an editorial that

unless and until aidines can

(a) produce passengers'

checked luggage quickly at their destinations and (b) not keep

scheduling passengers on sec-onds-to-make, so-called con-necting flights for which they have no reasonable chance at all

of having their luggage make the transfer, they're not likely to

get much cooperation with any

the old Greyhound system -

let passengers flip their bags into the underbelly of the plane

before they board and pick them off at the other end. At

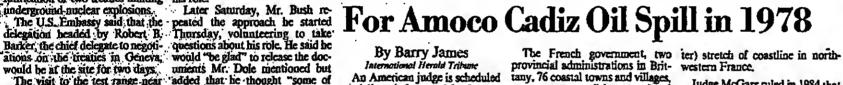
least that might be one way for

an airline to cut your losses un-

"Maybe they should adopt

new carry-on limits.

countability."



U.S. Court to Rule on French Claims

Dan Battistel of Steubenville, Ohio, stocks up with water with help of his daughter, Erika, center, and Josi Blair. Steubenville is one of the cities on the Ohio River coping with a major oil spill.

On the Ohio, the Oil Slick Rolls On

In Wheeling, West Virgina, Major Problems Turn Up

P.M. on Friday that it had closed

its water intake valve. Then they

started filling bathtubs and pots.

voir, capable of supplying all the city's needs for a day or more, was down to 6 feet (1.80 meters)

from Friday's brimful 22 feet.

Two pipelines booked to un-

polluted water supplies in nearby cities are working, but together

provide less than a quarter of the

city's needs. Four million-gallon

barges that the city had counted

on to keep the taps running were

out of commission most of the

The smugness with which this city of 60,000 had awaited the

spill's arrival evaporated quickly.

Instead, officials were involved

in deploying water tankers,

pleading with recalcitrant busi-

nesses and wondering bow long

the drought would last.

Residents lugged jugs and garbage cans to National Guard

mobile tanks that have become

as common as coal trucks in the

day with pump problems.

By Saturday, the city's reser-

til the city announced at 5:30 again," said Rena Breiding, who

was helping her busband, Larry,

distribute three trailer-loads of

bottled water supplied by the Miller Brewing Co. "Even if the

water comes back, I feel that the

chemicals they're adding to it to

The bitter cold weather, a

boon up river a week ago when it congealed the fuel and made it

easier for skimming equipment

in capture, has become a disad-

vantage. The river's flow is ex-

tremely slow under a thin coat of

ice, and the cold keeps the oil

Curt Ridenour of the Ohio En-

vironmental Protection Agency

said towns on the river would

most likely have to take precau-

tions for "several weeks, even

falling stage, so some oil is being left along the banks," he said. "When the river rises, some of

that will be washed back into the

In nearby Steubenville, Ohio,

residents complained that the

water smelled foul and left

greasy stains on porcelain.

Right now, the river is in a

suspended in fine drops.

months."

clean it must be bad."

Amoco Cadiz disaster off the ous other private interests have negligent in the design, repair and maintenance of the tanker and liaworst oil spill in history. In April 1984, the Standard Oil

By Cass Peterson

Washington Post Service
WHEELING, West Virginia

-The intricate plans of the best-

prepared city on the Ohio River

drained away over the weekend

as a pool of pollution oozed around the bend on its inexora-

ble journey downstream.

Despite six days of feverish

planning to provide a temporary water supply, Wheeling had less than a half-day's supply of water

on Sunday. On Saturday, busi-

nesses had been ordered to close.

"We're having a lot of prob-lems," said the assistant city manager, Nancy Vapner. "We don't know how long we'll have

The problem, some officials

say, is that Wheeling may have prepared too well for the 100-

mile-long (160-kilometer) spill

that has been snaking down the

Ohio since the collapse of an Ashland Oil Co. diesel-fuel tank

near Pittsburgh on Jan. 2. Comforted by days of assur-ances from city officials that the

situation was well in hand, many

residents apparently did not take Ohio Valley.
the impending slick seriously un- "I may never drink river water

Co. of Indiana and two subsidiaries, Amoco International Oil Co. and Amoco Transport Co., were found liable for damages "to the full extent" by U.S. District Judge Frank McGarr, of the northern dis-

A separate trial, followed closely in communities along the Brittany coast, was opened in April 1986 to determine the amount of damages. It ends with Judge McGarr's deci-AMERICAN TOPICS sion in Chicago.

An American judge is scheduled tany, 76 coastal towns and villages, to deliver judgment Monday on oyster growers, fishermen, hotel damage claims arising out of the owners, a ferry company and vari-

the Amoco Corp., formerly the S.A. Standard Oil Company.

17, 1978, and broke in two after

Judge McGarr ruled in 1984 that

Arocco and its subsidiaries were ble for damages in full. He also ruled that they were entitled to seek The claims were filed in Illinois damages from the Spanish builder because it is the home state of the of the tanker, Astilleros Españoles

about 600,000 metric tons of crude tion fraud and drug trafficking.
oil. Two tankers collided off Trinilosing its steering in a gale. The oil. Two tankers collided off Trini-ship was carrying more than dad and Tobago in 1979, spilling General Noriega's government led 220,000 metric tons of Arabian 300,000 tons. But the Amoco Cadiz to mass civil protests inside Pana-

# **Over Rumor** Noriega Fled

PANAMA CITY - General Manuel Antonio Noriega, whose secret trip to the Dominican Re-public set off street celebrations in Panama, quietly slipped back into the country Sunday.

At the headquarters of the National Defense Force, of which General Noriega is commander in chief, an officer on duty confirmed reports that the general was back in the country, but said that be could not disclose his whereabouts.

Rumors that General Noriega had resigned and fled the country prompted wild celebrations during the weekend.

people took part in street celebrations Saturday that spread from the capital to other areas as the rumors spread. Participants beeped car borns and waved white flags and handkerchiefs, they said.

"It was like a carnival," said Rotion demonstrations in the capital since civic unrest began in June.

streets and blocked traffic.

iega had fled came one day after Reagan administration officials said the United States had applied station that would fly into orbit quiet pressure on the Panamanian leader in an effort to get him to resign and permit free elections.

ment signed by Chief of Staff Marcos Justines Fernandez and other staff members and read over national television.

the Panamanian armed forces and police. Opposition leaders say he is the real power behind President Eric Arturo Delvalle.

defense for international security affairs, Richard L. Armitage, went to Panama last week to tell General Noriega of U.S. concern over developments in Panama in the last six months and to advise the general that Washingtoo believes his resignation is necessary. The Wash-

crude oil, much of which washed spill bolds the record for the extent ma in 1987, resulting in a crack-up along a 120-mile (190-kilome- of environmental damage caused. down on civil liberties.

#### In Panama, Late Funding Forestalls Celebration State Department Crisis By Elaine Sciolino New York Times Service WASHINGTON — Congress The additional money bas helped alleviate morale problems in the department and has has forestalled the State Departstaunched rumors of impending layoffs, unpaid furloughs and arbi-

ment budget crisis for at least a year by quietly appropriating addi-tional funding in the final days of its last session. The little-noticed move gives \$60

million more to the State Depart-ment for salaries and operational expenses for this year, just enough to prevent a package of what had been described as the most dramatie budget cuts in the department's The widely publicized budget-cutting plan has been shelved, at

least temporarily. It would have

elimination of 27 deputy assistant secretary jobs and of differential

years ahead of NASA's multi-

cording to federal officials.

billion-dollar space outpost, ac-

The National Aeronautics and

Space Administration, which views

the proposal as a serious threat to

its space station plans, denied that an agreement had been reached. A

spokesman for the head of the po-

form of a proposed recommenda-

tion to President Ronald Reagan

that the government use federal

funds to lease part of the small

space station, which could be orbit-

ing Earth as soon as 1991, whereas

the NASA station would be ready

by 1997 at the earliest. Private com-

panies could also use it for a variety

The commercial venture, headed by Space Industries Inc. of Hous-

of industrial purposes.

The reported action came in the

licy group refused to comment.

Reagan Advisers Support

**Alternative Space Station** 

New York Times Service industry in the face of increasing NEW YORK — A White House international competition. A feder-

policy group has agreed in princi- al move to support the proposed

ple that the government should station would guarantee a major

back a private plan for construc- customer, greatly increasing the tion of a small, inexpensive space chances of the plan's realization.

pay in hardship posts.

eliminated 1,270 jobs, about 8 percent of the department's work force in Washington and around the world, and closed at least 13 embassies and consulates, among oth-Winnesses said that thousands of er measures. Other steps that are no longer under consideration are the

Senior State Department offi-cials emphasized that the crisis was

not over, merely delayed for a year, sario Arias Galindo, a resident of and that the department would the business district, which has have to face the same hard decibeen the principal site of opposi-

"The street was packed with peo-ple for two blocks," she said, adding that the crowd spread into side

Residents of Panama City said that the police and soldiers had used tear gas, bird shot and rubber hoses to quell the celebrations. One winess said that she had seen four people being arrested.

The rumors that General Nor-

His general staff issued a state-

It said that General Noriega and his family had left for "a private visit to the Dominican Republic" during the weekend, and that he will return to attend to his official duties in his office Monday." General Noriega is the head of

The assistant U.S. secretary of

U.S. officials were quoted as say-ing that Mr. Armitage told General Noriega that he should resign by April, dismiss his close military associates, call democratic elections The Amoco Cadiz disaster was and improve the judicial system.

The 233,000-ton Liberian-registered supertanker hit rocks off the
Brittany town of Portsall on March

The 233,000-ton Liberian-regiseclipsed by oil well blowouts in the
Gulf of Mexico and the Gulf in
that the general has been involved
with political assassinations, elec-

# ton, would advance the administration's goal of promoting the nation's fledgling private space

or more off your newsstand price when you subscribe for 12 months to the International Herald Tribune. The longer you subscribe the more you save.

We'll give you 13 issues free for each three months you subscribe. That's 26 issues *free* for six months — or — 52 issues *free* for a twelve-month subscription. Total savings: Up to 40% or more in most European countries.

Herald Eribune.\_\_\_\_

To: Subscription Manager, International Herald Tribune, 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Please check the subscription term you desire: Special introductory rate, for near subscribers. Places circle the included subscription price selected.

T				•	
52 ssues free!	Country (	.urrency	1 year	6 max.	3 mos
with a 12-month subscription.	Austria	A Sch	488		1,450
26 issues free!	Belgium	RFr.	11,000	<b>600</b>	3,300
with a 6-month subscription.	Dermork	D.Kr.	2,500	1,400	77(
13 issues free!	Finland	FM	1,730	950	S
with a 3-month subscription.	fionce	E.F.	1,500	820	450
My check is enclosed.	Germany*	DW.	580	320	175
	Great Britai	n £	130		40
Please charge my:	Greece	Dr.	22,000	12,000	6,600
☐ Access ☐ Arnex	ireland	£H,	150	82	45
☐ Diners Club ☐ Eurocard	hay	Lire	380,000	210,000	115,000
☐ Mastercard ☐ Visa	Lwembourg	LFr.	11,500	6,300	3,400
	Netherland	- AL	650	360	T98
	Narway (po	MNK.	1,800	990	540
	Norway**		2,300	1,270	700
	Portugal	Esc.	22,000	12,000	6,600
	Spoin	Plas	29,000	16000	8,800
E	Madrid	المماء	42000	21,000	10,500
Signature .	Sweden (po	SKr.	1,800	990	540
	Sweden**		2300	1,270	700
<del></del>	Switzerland	S.Fr.	510	290	154
Cord expiry date	Rest of Eur				
	Africo, Mide	la Ese S	430	230	
	Rest of Adric				
Cord account number		\$	580		<u> </u> 175
Name					

U.S. No Longer Considers Libya a Threat "We believe that Gadhafi never Although officials hail the U.S.

By Elaine Sciolino

Gadhafi of Libya has been so weakened by a series of setbacks over the last year that it no longer poses a serious threat to its neighbors in the Mediterranean region, according to White House and State Department officials.

They say that, as a result, U.S. policy now puts less emphasis on confrontational measures, like the Senator Bob Dole of Kansas, who is ruming for the Republican nomination for president, says Senator Paul Simon of Illinois may be the strongest Democratic eandidate. "I've grafehed Simon for many bombing of Libya 21 months ago, that were intended to intimidate Colonel Gadhafi or even to encourage his overthrow. Instead, the powatched Simon for many licy seeks to limit his influence by years," Senator Dole said. "He is a decent human being. He's a genuine liberal, old-fashioned continuing to isolate him politically and economically in the region, Democrat, makes no excuses for it, and it's having an imthese officials say.

There's been a natural evolu-

non of our policy," said one White House official. "If one characterizes our earlier policy as one of active destabilization, one could say we're now trying to further iso-

Another official put it more

#### Berlin Names **Bombing Suspect**

The Associated Press BERLIN - The authorities are looking for a West Berlin woman suspected of planting the bomb in a discotheque in the city that killed two U.S. soldiers and a Turkish woman and injured 229 people in April 1986, a West Berlin official said Sunday.

Blaming Libya for the attack, at

La Belle discotheque, the United States bombed the cities of Tripoli and Benghazi 10 days later in retaliation against the Libyan leader. Colonel Moanmar Gadhafi. West Berlin government sources

said that the suspect, Christina Ga-briele Endrigkeit, a 27-year-old German born in West Berlin, is believed to have planted the device on behalf of two convicted Palestinian terrorists. The West Berlin Justice Department spokesman said that an arrest warrant for her

WASHINGTON—The Reagan administration believes that the government of Colonel Moammar should be."

cannot remove the man from the again will be able to resinre his credibility and that time is on our said. "Our policy is now where it official. "Our policy is now geared to be able to resinre his credibility and that time is on our said. "Our policy is now where it official." "Our policy is now geared to be able to resinre his credibility and that time is on our said. "Our policy is now where it official." "Our policy is now geared to be able to resinre his credibility and that time is on our said. "Our policy is now where it official." "Our policy is now geared to be able to resinre his credibility and that time is on our said. "Our policy is now where it official." "Our policy is now wher cannot remove the man from the again will be able to resinre his

White House and State Department officials who follow develop-ments in Libya attribute the change in attitude partly to the success of the U.S. bombing raids in 1986 in curbing Colonel Gadhali's promotion of international terrorism.

to having him in place for a long time, but in a weakened state." The officials acknowledge that personnel changes in policy-making positions in Washington have

hafi, rather than direct confronts-The United States has never action. These include the replacement knowledged that the ultimate aim of William J. Casey, who died last in oil revenues in 1987, compared of the bombing raids was to overyear, as director of central intelliwith \$10 billion in 1885, even it would have been fortuitous if and Lieutenant Colonel Oliver L. Colonel Gadhafi had been killed in North, the National Security the raids. Now they are willing to accept the status quo.

Council's deputy director for political-military affairs.

in reducing the stature of Colonel Gadhafi both at home and abroad, they admit that the economie sanctions imposed by Mr. Reagan two years ago have had a minimal economie impact on Libya's economy and have been important more for made it easier to promote the steady isolation of Colonel Gad-sending Libya a strong political Libya earned just over \$6 billion

bombing as a crucial turning point

throw the Libyan leader, but senior gence, and the departure of Rear though oil production levels have White House and State Depart- Admiral John M. Poindexter, the remained about the same. The ment officials said at the time that former national security adviser. United States is also heartened by steps taken by a number of Western allies to reduce or at least not expand their commercial ties to

> INTERNATIONAL POSITIONS You will find below a listing of job positions published last Thursday under the rubric International Positions.

TITLE	SALARY	EMPLOYER
ACCOUNT EXECUTIVES		Sucden (U.K.) Ltd.
MANAGER		IFAD.
INFORMATION TECHNOLOGY COORDINATOR		IFAD.
LEAD SYSTEMS ANALYST		· IFAD.
DATA BASE ADMINISTRATOR		IFAD.
ANALYST PROGRAMMER		IFAD.
COMPUTER OPERATIONS & USER SUPPORT OFFICER		IFAD.
PRESIDENT & GENERAL MANAGER	Excellent	Multinational, publicly traded phar- maceutical corporation.
RESPONSABLE		ALLIA - Groupe Lafarge Coppée.

please ask for a free copy: Max Ferrero, INTERNATIONAL HERALD TRIBUNE, 92521 Neutly Cedex, France.
Tel: (1) 46.37.93.81. Telex: 613595

ing act in order." -ARTHUR HIGBEE

til it can get its baggage-check-

If you haven't seen lost week's INTERNATIONAL POSITIONS rubric.

SUMPECTE GRAND SUINE.

### **Help Gorbachev?**

clear that Mikhail Gorbachev is willing to correct and an economically successful Soundo half a century of Stalinist central planning to get it moving again. What is not clear is whether a successful fix would serve American interests. A fatter Soviet bear might be friendlier, more peaceable, more concerned with putting a microwave in every kitchen than with pursuing dreams of world hegemony. On the other hand, a fatter bear might be stronger, more arrogant, more capable of pursuing empire. No one, not even Mr. Gorbachev, really knows how the Soviet political system will react to economic change.

That uncertainty is reason for caution in responding to Soviet overtures for economic cooperation. But it certainly is not sufficient reason to continue confrontation-as-usual or automatically to interpret every Soviet success as a Western defeat. If Soviet stagnation continues, a dangerous superpower competition, good for neither side, is almost certain. Successful economic reform offers hope of accommodation, good for both sides.

This month, enterprises that make 60 percent of Soviet goods get some discretion to decide what to produce, what to charge and where to sell. Mr. Gorbachev wants control of most civilian production stripped from the Moscow planning bureaucracy by the early 1990s. Decisions will be left to profit-maxi-mizing, worker-elected managers and the Invisible Hand of competition. Worker cooperatives will be encouraged to fill unproductive gaps in light industry and services. Rural families will be able to lease land from state farms for a share of the crop. Consumer subsidies will be eliminated for food, fuel and all but the most modest housing.

The Russians hope to double or triple their anemic 2 percent recent growth rate while matching Western standards for quality and variety in consumer goods. Americans can hope that a successful economic liberalization will lead to political liberalization. Decentralization, encouragement of individual initiative and respect for consumers might stimulate a parallel shift in political values.

That is not just wishful thinking. Historians believe that the rise of decentralized market economies powerfully influenced development of liberal political systems in Europe. Mr. Gorbachev is no social democrat. hut new openness and greater tolerance of dissent reflect his recognition of a link be-

tween economic and political freedom. History, unfortunately, also offers lessons to support a contrary prediction. It is

The talk is that the Soviet Union is ready

to cut its losses and pull out of Afghanistan this year without waiting to set up a govern-

ment in which the place of local Communists

would be ensured. Good. Let the withdrawal

begin. Up to now the Soviets have stated a

determination to create a "coalition" and to

promote "national reconciliation" among

warring Afghans before departing. These eu-

phemisms for ensuring a place for local Communists have been a mask for staying

Soviet invasion is within sight, although

the war of the Afghans may go on longer.

et support of one set of Afghaus and Ameri-

can support of another, and on this basis

some people expect the United States to

conduct a matching cutoff of aid to the

resistance. But the basis for a cutoff should

be a Soviet withdrawal that makes mont the

purpose - repelling an invasion - for

which aid is rendered. Practically speaking,

aid should taper off as withdrawal pro-

gresses. The American purpose is not to

harass or further humiliate the departing

Soviets but to make sure they do not change

repetition in Haiti of the quick, effective

military intervention by which the United

States set Grenada back on the democratic

path. It is an option that bas come to the

minds of a lot of people, in the Caribbean and elsewhere, including many who criticized Grenada 1. Nothing else promises quick or even not-so-quick relief from the further misery and violence that hang over

Haiti. But there is neither the regional trea-

ty and appeal nor the legitimate national

appeal for the United States nor the geo-

political rationale that supported the Gre-

nada intervention. Nor is there a military

force of the Haitian opposition ready to be

Are the United States and everyone else

then simply to wring their hands as General

Henri Namphy, who destroyed the promise

of the December elections, goes through with

his evident plan to run his own phony elec-

tions on Jan. 17? Secretary of State George Shultz said on Thursday that he supports the

statement by Haiti's Caribbean neighbors,

meeting in Barbados, that General Nam-

phy's arrangements for those elections are

inadequate. But whereas some of the neigh-

bors, responding to appeals by Haitian opposition figures, were prepared to denounce

the results now expected to emerge on Jan.

launched into a battle of liberation.

A certain equation is made between Sovi-

Let Withdrawal Begin

on. If the Kremlin has dropped the mask and is prepared to leave its clients in Kabul to in the sense that the Soviet Union has a right

contend for what power they can earn with to claim for its proxies some share of the

their own resources, termination of the power. The Kremlin was wrong to invade

Messages to Namphy

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER

LEE W. HUEBNER, Publisher

JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Pages

RENÉ BONDY, Deputy Publisher = ALAIN LECOUR and RICHARD H. MORGAN, Associate Publisher = FRANÇOIS DESMAISONS, Circulation Director = ROLF D. KRANEPUHL, Adventising Sales Director = KOURDT HOWELL, Director, Information Systems

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France Tel.: (1) 46,37,93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore (511. Tel.472-7768. The RS56928 Managing Dir. Asia: Malcolm Glem, 50 Glowester Road, Hong Kong, Tel. 5-8610616. Telex: 61170 Managing Dir. U.K.: Robin MacKicham, 63 Long Acre, London W.C. Tel. 836-4802. Telex: 263009 Gen, Mg. W. Germany: W. Lauserbach, Friedrichstr. 15, 6000 Frankfurt M. Tel. (069) 726755. The 416721 Pres. U.S.: Michael Corroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 733021126. Commission Paritaire No. 61337 © 1988, International Herald Tribune. All rights reserved. ISSN: 6294-8052.

Directeur de la publication: Walter N. Thayer.

The Soviet economy stagnates and it is possible that hard-nosed Americans are viet Union would look more like 19th century imperial Germany, with Mr. Gorbachev cast as Bismarck. In this vision, once the post-feudal, ethnically unassimilated country builds the economic machinery to compete with the West, it will try to distract from its internal contradictions with dangerous foreign adventures.

> In truth, there is no way to predict how economic revitalization would influence Soviet politics. What reasonable basis is there, then, for deciding how to answer Mr. Gorbachev's invitation to closer economic ties?

The question is made easier because no one is proposing revolutionary changes. America is not about to offer precious hightech assets like supercomputers. The Russians are not about to mortgage their eco-nomic future to the good will of foreigners by buying or borrowing heavily in the West. Commitments like trade, loans, joint ventures and technology licensing will, by mutu-al agreement, be modest and reversible. Thus, as a practical matter, Western in-

fluence on Soviet development will be marginal. That affords the West the cheap luxury of giving Mr. Gorbachev the benefit of the doubt. The United States can afford to assist as long as economic change appears to lead to general improvement in respect for human rights and constructive attitudes on arms control and foreign policy.

Specific linkages probably do not make sense. The carrots that the West can offer simply are not big enough to induce change. The Russians are not likely to withdraw tanks from Eastern Europe in exchange for better tariff treatment for their manufactured exports. But the warmth of the economic relationship could still be modulated in tune with the political relationship.

It is possible that high hopes will be dashed that Mr. Gorbachev's reforms will fail, or will succeed without inducing a political thaw, If so, the West will have paid no great price for a bad bet. Support for a losing cause might even serve Western interests by giving politically stressed Soviet leaders less excuse for paranoia. There might also be a bappier result: more goods, more growth, more freedom - even the stirring of a democratic impulse. And that, however distant and however unlikely, is a goal that America should be pleased to advance,

scores to settle among themselves. Both

sides have stockpiled weapons against the

day when Soviet troops leave and American

and other foreign aid ends. How they use

those weapons may oot be much influenced

Something basic needs to be better under-

stood here. Afghanistan is a Soviet-Ameri-

can "regional dispute" in the sense that it is

in a region and is in dispute between the

Afghanistan eight bloody years ago, and it

has no right to demand any particular inter-

nal result. If fairness were the measure of

these things, Afghans would have a right to

demand far-reaching internal changes in the

The Soviet Union says it does not seek a

Soviet Union to prevent another invasion.

pro-Soviet regime and asks the United

States to say it does not seek a pro-Ameri-

can regime. This is fine. The "free, non-

aligned and neutral" Afghanistan that

Moscow says it wants is what Washington

wants. The way to get from here to there is

collective judgment on one another's elec-

tions does not have many takers. Haiti's

neighbors are left attempting to draw Gener-al Nampby into the inevitable "dialogue" in

which, theoretically, he would come under

This will seem to many people a remote

hope and a trick upon the long-suffering people of Hairi. Something firmer is needed.
— not Grenada II, perhaps, but something more than "dialogue." Economic sanctions?
There the possibilities of persuasion of the

leadership must be measured against the

extra privation that could be imposed on

the population. It is this consideration that

inclines Washington to limit its sanctions to

the ones it has already declared against the

government. These are not insubstantial:

all military aid and most economic aid has

been cut off, and only aid targeted directly on welfare for the poor still flows. And certainly the United States cannot consider

lifting these sanctions if the elections are

run in the expected Namphy style. But

other states — say, Caribbean neighbors including Venezuela (Haio's oil supplier),

and even Canada and France - have their

own openings to get a message through to this heir to the brutal Duvalier legacy.

-THE WASHINGTON POST.

pressure to adopt their democratic ways.

- THE WASHINGTON POST.

for Soviet troops to withdraw.

by outsiders' exhortations for peace.

- THE NEW YORK TIMES.



years the Europeans will have to decide what course they choose among two options now on the table.

would come elimination of all re-maining U.S. and Soviet tactical nuclear arms — the so-called triple-zero option — combined with deep cuts in U.S. and Soviet troop presence in Europe. The Warsaw Pact proposals tabled last June mention reduction by half a million men on each side more than the whole 325,000-member U.S. contingent in Europe.

rwo alliances would be gone. France and Britain, with their nuclear arsenals, would be marginalized. West Germany would be neutralized and probably offered some kind of federative arrangement with the Communists' German Democratic Republic - which the Soviets, of course, have

no intention of letting go. In the Federal Republic gradual reshaping of the European map by demilitarization of East-West relations" has become the unspoken but quite evident objective of many "do-

Before embarking on the soft option. Europeans should ask what kind of Europe they aim for. I, for one, do not believe that Europe ought to become a kind of vast Austria, dominated by a neutral but economically supenor Germany due would be buying Soviet benevolence through massive transfers of capital and technology to the Soviet empire — all under the shadow of the Red Army, of course.

preserving the long-term chances for reunification not just of the two Ger-The catch here is that down the line these various arms control deals would fundamentally reshape the political-territorial order in Europe. The agenda ahead consists of rebuilding a coherent political-military strategy capable of deterring the Sovi-

The truth needs to be told. Prime

bust conventional defense. With all Western defense budgets going down or stagnating, and with increasingly scarce demographic resources (particularly in West Germany), faddish talk of "conventional alternatives" to nu-dean determine is bresponsible. De-sides, the history of Europe is full of "stable" conventional balances that have derailed into full-scale wars.

dicament in negotiations. The idea, popular in some U.S. liberal circles and on the European left, that Soviet tanks could be traded for the remaining U.S. tactical nuclear weapons ig-nores the fact that the Soviets are vastly superior both in tactical nuclear arms and in tanks. As to conventional trade-offs, recent studies at the Rand Corporation show that NATO would have to ask for vastly assymetrical reductions, on the order of at least 5to-1, to come out even. Why would the Soviets ever agree to that?

Restore the political and military legitimacy of nuclear deterrence. This will not happen by keeping just shortrange tactical weapons that can kill Europeans without burting the Russians. Thus, current Pentagon plans providing for the introduction of modernized short-range missiles without remedying the long-range gap issue

way out of that box will be to rely on remaining long-range U.S. aircraft (the F-III) and on European aircraft

ventional forces before further negotiations with the Soviets is an urgent task for the Western democracies today, along with building a strong Eu-ropean pillar within the alliance.

Twenty years ago the Atlantic alli-ance came up with the political and military guidelines it needed at the time thanks to the Harmel report, named for a Belgian foreign minister. Today a Harmel 11 exercise is more needed than ever to restore consensus arnong Western democracies. Failing to act at this point, and thus continu-ing to leave the initiative to Mr. Gorbachev, would condemn NATO to. slow but certain unraveling, and Europe to a very uncertain fate.

carrying French- and British-made nuclear missiles capable of reaching deep into Warsaw Pact territory, including Soviet territory. European ouclear forces would receive a land greater deterrent role. Planning and conditions for the release of such weapons could be further Europeanized by the creation of an autonomous European Nuclear Planning Group working alongside NATO.

was attacked by five vigilantes with

an independent press - institutions that Western democracies rely on to prevent abuse of government power. Why do they not work in South Afri-

first, and so far only, Indian nuclear explosion, at in May 1986, residents in one Cross-Pokharan in the Rajasthan desert in 1974, brought roads community that still existed an intensification of the nuclear powers' efforts to went to court. The Legal Resources Centre, a public interest organiza ties to make the bomb. Since the actual making of tion, produced massive evidence of the bomb is a relatively simple matter, this denial official participation in the destruction. The court, convinced, enjoined India's nuclear policy has been fairly consistent. the army and the police from assist-ing, encouraging for allowing an It is that it will not make the bomb unless com-

What happened? The court order arise if Pakistan made a bomb. But India has not given up its rights to exercise the nuclear option. was simply ignored: Two weeks later the last of the four communities was destroyed. And, the report finds, "the participation of the security forces

best to keep the press from seeing abuses. Journalists were brutally attacked. A cameraman, George De Ath. died of injuries from a vigilante attack. A colleague charged that the police.
failed to help him promptly as he lay:
bleeding before them. And the Crossroads events were before the real crackdown on the press. Present ener-gency regulations forbid journalists-even to be present at any violence.

Crossroads is a particularly idling example of the burnan realines of apartheid. Black families put up their pathetic little shacks there in the first. place because the rules of apartheid barred them from legal residence in the whole Cape Town area, which was

The government wanted organity to remove the Crossroads sertlement, because it was such a visible symbol of racism's cost. But too many people were watching for a direct assault by bulldozers. The solution was to act cow if the Swedish navy issues further through the vigilantes - and then

ity in Crossroads. It is a new term again old pattern of governance in South-

## Western Europe: The Alternative to a Big Austria

PARIS — Europe is at a cross-roads. In the next two or three

The first option is the tempting "soft" path proposed by Mikhail Gorbachev. After the INF treaty

tente" and arms control advocates.

The second option could ensure peace and stability in Europe, while

ets from any military temptations while restoring a strong security con-sensus in the West European public. Three key principles:

Minister Margaret Thatcher and President François Mitterrand, for example, express enthusiastic support for the INF treaty in public but speak differently in private; they know bet-ter. Europeans need to be told that there is no alternative to the policy that has successfully maintained European peace for 40 years, namely a

It is foolish to count on the Soviets to resolve Western Europe's security pre-

Agreeing among themselves on the proper mix between nuclear and con-

### India: Neither Yes nor No to a Nuclear Deterrent

N EW DELH! — The U.S. Soviet agreement on intermediate-range missiles has been welcomed by Indian leaders and newspapers as truly ndercuitent of anxie exists in the Indian establishment regarding its implications for New Delhi's nuclear policy.

Taken together with a bill approved last month by the Appropriations Committee of the U.S. Senate (but subsequently dropped) equating the nuclear policies of India and Pakistan, the INF treaty accentuates an lodian dilemma. The fact is that the contradiction in India's nuclear policy has become more acute, and until India resolves it by either going for the bomb or forswearing it, its position will become increasingly awkward.

So far, India has reacted to pressures by reiterating its opposition to the Nuclear Nonproliferation Treaty and has strongly objected to the Senate move equating the Indian and Pakistani nuclear programs, as also to the linked penalty for India of the threat of denial of high-technology items.

The point of the American exercise was to try to resolve an American dilemma: bow to promote stated nonproliferation policies while continuing to overlook, for strategic reasons, Pakistani attempts to make the bomb. That the Senate committee found a solution seemingly at India's expense is an indica-tion of immediate U.S. priorities and of the fact that India's nuclear policies do not wash in America.

By S. Nihal Singh

open and peaceful while Pakistan's is clandestine and military-oriented. Despite American exasperation with Pakistan's devotion to making the bomb, Islamsbad's contention has always had appeal in Washington: Let India and Pakistan agree to sign the conproliferation treaty, or else let both agree to join international inspection of nuclear facilities.

India is on strong ground in arguing that to conceive of ouclear-free zones on a subregional basis is nonsense. America, for strategic reasons, has persistently failed to take into account the implications of the Chinese nuclear capability for India. The INF agreement is a nagging reminder that Washington and Moscow want India to sign the

nonproliferation treaty. India opposes it as discriminatory in favor of present nuclear powers whose resolve to seek nuclear disarmament is derisory.

The answer to the first Indian argument is never fully spelled out. It is that there are the big guys and

the small guys and so it is in the world. The superpowers can now turn around and answer the second Indian contention with the INF treaty. India occupies an important place in the nonproliferation policies of the superpowers because it is the only guest member of the nuclear club. The

Prime Minister Rajiv Gandhi has told President Reagan that India was not planning to make the bomb, despite further indications of Pakistani efforts to acquire a nuclear weapon capability. Present American and past Soviet efforts have been directed at closing the nuclear option for

India. The simplest method of doing so is to make India agree to sign the nonproliferation treaty.

The implicit nuclear umbrella provided by the Indo-Soviet treaty is in danger of springing leaks, with Mikhail Gorbachev's accelerated efforts to befriend China. This lends urgency to the need for reassessment of India's nuclear policy.

deny the non-nuclear countries material and facili

was coupled with political penalties.

The writer is a syndicated columnist and former newspaper editor in India. He contributed this comment to the Imernational Herald Tribune.

### The East Wind Brings Sweden and Norway a Visitor

#### OSLO—Since there are so few of them and they live in the shadow of their Soviet neighbors, Swedes and Norwegians are extremely sensitive to the winds blowing from the East. The Gorbachev style and the Washington summit have again raised their hopes. Nevertheless, there remain some sizable obstacles to the friendly

relations with the Soviet Union that most of them long for.
It would be hard to say whether the Swedes or the Norwegians are looking forward more eagerly to sched-uled visits this week by Nikolai Ryzhdecessor, Alexei Kosygin, who visited Sweden in 1968 and Norway in 1971.

Swedish officials leave no doubt about what is uppermost in their minds. They are certain that Soviet submarines are operating in Swedish waters, and they want this to stop.

Mr. Ryzhkov will find it impossible to give the desired assurances, since he maintains that there are no such operations. In a recent interview with a Swedish journalist he challenged the Swedes to produce their evidence. Prime Minister Ingvar Carlsson has

threatened to destroy the next foreign submarine found lurking in Swedish opportunity to try is unlikely to arise during the Ryzhkov visit. Although there have also been re-

ports of Soviet submarines in Norwegian waters, the question has never boundary question with the Soviet foreign minister, Eduard Shevardhas in Stockholm. Instead, the Labor government finds itself managing a politically sensitive proposal by the U.S. Navy to stockpile material for ships somewhere in Norway.

By John C. Ausland

The Russians have complained vociferously about the prepositioning of materiel for a brigade of American marines and eight squadrons of American air force fighters. So far, at least, Moscow has not made an issue of the navy proposal. For years, the Swedes and Norwe-

gians have shared the frustration of negotiating with the Soviet Union over boundary disputes. Oslo has been negotiating over the boundary of economic zones in the Barenis Sea. kov, the Soviet prime minister. The stockholm has been happling over a last such high-level Soviet visitor to Scandinavia was Mr. Ryzhkov's precently, neither had much hope of reaching agreement during the Ryzh-kov visit, but last mouth the Soviet Foreign Ministry informed the Swedes that it wanted to get a move on.

The burried negotiations which fol-lowed precipitated a debate in Sweden over linkage between the boundary line and submarines. Still, an agreement seems likely giving Sweden three-fourths of the disputed area.

The Norwegian-Soviet controversy is more complex. The Soviet navy,

with its bases on the Kola Peninsula. uses the Barents Sea as an operational area for its nuclear missile submarines. These waters could cootain waters. There are doubts about the a great deal of oil and gas. The last Swedish navy's ability to do it. The thing Soviet admirals would want is to have to pick their way through a

forest of Norwegian oil rigs.
Foreign Minister Thorvald Stoltenberg of Norway discussed the nadze, last September in New York. Mr. Shevardnadze said that a compromise must be found. But there has been no flurry of activity similar to that with the Swedes.

The prospects for increased trade

ly been increasing, but trade with Sweden has been negligible. Mr. Ryzhkov's proposal to increase trade with Sweden will include a pitch for the Swedes to import Soviet gas. This offer will not fall on deaf ears. The Swedes aim to end their dependence on nuclear energy, which now produces half of their electricity.

The trouble is that the Norwe-gians would like to sell the Swedes gas from their large deposits in the Norwegian Sea. Unable to compete with the Russians on price, they emphasize their poliocal reliability. No visit by a senior Soviet official

could omit a touch of political theater, and Mr. Ryzhkov will bring along the perennial proposal for a Nordic nuclear-free zone. Since it is politically impossible for Danish and Norwegian leaders to oppose this, they are hiding behind a committee that is making a slow-motion study. So nothing will come of Mr. Ryzhkov's routine praise for the idea.

The Norwegians are having more

difficulty with Mikhail Gorbachev's proposal for talks on naval activities in the Norwegian, Greenland and Baltic Seas, Defense Minister Johan Joergen Holst has expressed some interest in this, but Foreign Minister Stoltenberg has referred it to NATO. There has been little enthusiasm for the proposal in Brussels, particularly on the part of American officials.

Barring surprises, Mr. Ryzhkov almost certainly will seek to reduce-Swedish irritation by ending the dispute over the economic zones in the Baltic Sea, Norway will have to set-

tle for lesser agreements concerning Nothing basic will change, howevwill be discussed in both capitals. er. Even if the boundary question is Soviet trade with Norway has recent-settled, the Carlsson government will settled, the Carlsson government will find it increasingly difficult to main-tain harmonious relations with Mosreports of Soviet submarine activity. And the Brandtland government in Oslo will continue to balance Norway's dependence on U.S. military power with its hope that Mr. Gorba-

chev has decided to end the Cold War. Africa: divide and rule. International Herald Tribune.

#### 100, 75 AND 50 YEARS AGO

1888: London Befogged

10]. All traffic on the river was suspended and trains everywhere were belated. All street lamps were lighted during the day; cass crawled about with their lanterns burning. A man was found dead in the River Lea, near Clapton. He had walked into the river during the dense fog.

1913: Editorial Quoted

ROME - Great interest has been aroused here by the editorial in to-day's [Jan. 10] Herald on the one way of permanently settling the question of the Aegean Archipelago. The editorial was reproduced in full this evening by the "Tribuna" under the title "A Proposal to the Point," with the following comment: "The admirable

1888: London Belogged

LONDON — One of the most dense fogs experienced for years bung over London and the suburbs today [Jan. 10]. All traffic on the river was sus-national question. national question, and I do not see how it can be settled without the intervention of the Great Powers."

1938: Ludlow Defeated

WASHINGTON — Mustering after available forces, including two Representatives in wheel chairs, the Administration ministration today [Ian 10] succeeded in defeating the Ludkov was referendum resolution in the House by a vote of 209 to 188. A letter from the president F.D. President F.D. Roosevell, read by Speaker William B. Bankheart a short. time before the vote, is considered at have been the decisive factor in defeating the proposal by Louis Louis Louis (Dem. Indiana) to submit to the states a Constitutional amendment proposal of the Herald was doubtless dictated by an impartial review of the situation, and by equal friendship for could enter a foreign war.

minority of the population actually exercise totalitarian dominion over

niques is now available. It is a report by the Lawyers Committee for Human Rights on what it rightly calls a tragedy of extraordinary dimensions the destruction of four black commanities at the squatter location of Crossroads, near Cape Town. The four communities were burned to the ground in May and June 1986. Residents who tried to protect their homes were assaulted and shot. Fifty-three were killed and 70,000 were left homeless. Even by South African standards it

---

7.0

3021.00

禁むさか かたかけ

REACTIO

100 mg - 100

tem.

in the second

Imparison Designation of the Control of the Control

1

Estate Service Service

<sup>Des</sup>pite C

MERVATIONAL CR

difficulty and the second seco

The country of the co

Boot a many and a many

In last the second seco

the Sales and Sa

Me the best and the many and the best and the second and the secon

and and a series of the series

S 72.4.

The state of the state of

was an event of exceptional savagery.
Yet the world has paid it little attention, and the South African government has largely escaped responsibility. The episode has been treated as an example of "black-on-black violence."
President Reagan said at the time: "it is blacks fighting against blacks because there is still a tribal situation involved there in that community." What happened is that officials of the white government encouraged fac-

Apartheid: An Exercise

In Tyranny

By Anthony Lewis

N EW YORK — For all that our siders have learned about South

Africa in recent years, they remain

largely unfamiliar with the mecha-

nisms of white control. How does a-

government that represents a small-

An exceptional insight into the tech-

the vast majority?

tionalism at Crossroads. They sup-ported a group of right-wing vigilantes m attacks on opponents of apartheid. They armed the vigilantes. Government security forces were on hand, helping when the vigitantes attacked and burned the four communities. Air that is documented in the re-port in chilling detail. Legal organiza-tions in South Africa collected hum-

dreds of statements from residents. doctors and other witnesses. They provide overwhelming evidence that policemen and soldiers supported the rigilantes and were themselves involved in burning and killing.

Many witnesses described both the rigilantes and the police as using an-

incendiary weapon that shot what looked like a grenade at the Cross-roads shacks. When it landed it would explode and there would be. flames," one sworn statement said; Armored cars were in and around the shantytowns while they were destroyed. One man described how he

axes and clubs. He ran to a nearby armored car for help. When he reached it. "Four white men in-blue" uniforms knocked me to the ground and started kicking the." One of the confusing things about South Africa is that it has courts and

ca? Again, the Lawyers Committee report is informative. After the first round of destruction

pelled to. One of the obvious compulsions would attack on the remaining community.

was even more blatant."

The police and the army did their

the only place they could find work.

deny any part in the brutality.

The vigilantes have now been given official status. Their leader has anthor-

divide and fuic.

The New York Times:

### Opposition **Accepts Call** By Chun for **Unity Talks**

Compiled by Our Staff From Disputches SEOUL - President Chun Doo Hwan of South Korea and opposi-tion leaders have agreed to hold talks to discuss national reconcilia-

The chief presidential secretary, Kim Yoon Whan, said Mr. Chun's meetings with Kim Young Sam, Kim Dae Jung and Kim Jong Pil were expected to be held this week. The talks, proposed by Mr. Chun, were scheduled to be held separately with each of the opposition lead-

On Friday, representatives of the governing Democratic Justice Party and the three opposition parties resumed talks for the first time since the Dec. 16 presidential election. The opposition has asserted that the governing party's candi-date, Roh Tae Woo, fraudulently won the election.

The presidential secretary said Mr. Chun warned a frank exchange stepping down on Fch. 25.

could be a significant signal that the opposition might be ready to end years of confrontation with the government and resolve its hitter

dispute over the election. Opposition spokesmen said the number of Iranians hospitalized. critical threshold and gives rise to leased, leaving three still hostage. early release of political prisoners and the restoration of their civil rights and other democratic reforms should be taken up when the opposition leaders meet with Mr.

Mr. Roh earlier proposed meetings with the three Kims to seek national reconciliation while trying in defuse tension over the opposition's charges of election fraud.

The opposition so far has failed to present concrete evidence to substantiate the fraud charges, and there has been little public response to their calls for massive retalia-

Mr. Roh won the election with 36.6 percent of the vote, Kim Young Sam finished second with 28 percent and Kim Dae Jung finished third with 27 percent.

Dae Jung for splitting the opposiunified front.

In the final days of his sevenyear term, Mr. Chun has begun to reveal some of his thoughts on power, democracy and prepara-tions for life outside the Blue House, South Korea's official resi-

In an interview published in the major newspapers, Mr. Chun de-scribed himself as a patient man who refrained from using force to derstood ruler who was angered No Pact Foreseen when opponents continued to challenge his legitimacy after he decid-

ed to step down. final days of his rule why President

hold such a painful joh for so

A Western diplomat said that cause massive damage. This view long," Mr. Chun said. "Last year, I

Mr. Genscher had "gone out on a challenges the view in West Germa-

He added, "I thought that the people would highly appreciate my transfer of power, although I have some demerits in the execution of state affairs. But the situation to the execution of state affairs. But the situation to run into back down. "Genscher is going should only be used as a catabouth least resort.

• U.S. defenses depend heavily on U.S. ahility to counterattack any enemy. U.S. anti-missile depend to rule important" and the issue "quite important" and the instance of the issue "quite important" and the mass has a catabouth only be used as a catab

turned against my expectations." ment to depart after ending a sin-gle-term office has become a reali-Foreign Ministry official said.

Washington on Jan. 21, a Bonn be paired with new long-range of-fensive missiles. The U.S. role in ty, attacks on me have even more

power from anger." "In a country like ours," he said.

staged a coup and began his rise to tant to achieve progress on elimithe presidency. (AP, UPI, Reuters) nating chemical weapons.

**ESCORTS & GUIDES** 

INTERNATIONAL

**ESCORT** 

SERVICE
Head office in New York
300 W. 56th St. N.Y.C. 10019 USA
212-765-7896

212-765-7754

MAJOR CREDIT CARDS AND

LONDON

KENSINGTON

LONDON

Portman Escort Agency

67 Chiltern Street, London W1 Tel: 486 3724 or 486 1158 All mojer credit carda accepted

**ARISTOCATS** 

Lendon Escort Services 128 Wignore Sr, London W.1 All major Credit Cords Accepte Tel. 437 47 41 / 4742 12 noon - midnight

ESCORT SERVICE ENSINGTON CHURCH ST, W8 937 9136 OR 937 9133 neigor credit corels accepted.



Red Cross medics taking one of the Iranian hunger-strikers to a hospital on Sunday

### Paris Hunger Strike Turns 'Critical'

By Barry James ional Herald Tribune

PARIS - Forty Iranian demonstrators entered the sixth week of a hunger strike here Monday to seek of views with the three Kims before the return of 12 compatriots expelled hy France to Gabon, and proposed high-level talks doctors warned that several had

reached "a critical threshold." Ambulances took nine of the tals on Sunday, hringing to 14 the of the Iranians "has now reached a backed militias in Beirut were re-

The conditions of the hunger strikers were not immediately known. fears of irreversible accidents in the days to come."

Those expelled to Lihreville, Ga-bon, on Dec. 8, most of whom have formal refugee status in France, are also staging hunger strikes, as are some Iranian dissidents in Washington and London.

days to come."
The protesters, who have subsistsince their action began, say that they will starve themselves to death unless the French government re-

admits the Iranians, The Iranians were expelled A medical committee, members shortly after France concluded a of which have been examining the diplomatie agreement with Iran. hunger strikers daily, issued a After the agreement was reached, hunger strikers to Red Cross hospi-warning that the condition of some two Frenehmen held by Iranian-

### **REPORT:** Panel Sees Need for Smaller Nuclear Arms

heads, he said, had already drastically decreased the amount of nuclear explosive power in the superpowers' arsenals. "From their peak in the 1960s, they have fallen by more than the amount that

But this trend might also hring limited nuclear strikes intended to knock out crucial targets without deterrence instead of relying entiretion support hy failing to put up a ly on heavy, long-range ballistic likely conflicts."

> often contended that "nuclear war- a news conference televised to U.S. fighting" ability is needed for the emhassies Tuesday were canceled United States to have a credible after Secretary of State George P. deterrent, this report presses the Shultz objected that U.S. allies case for new technology by saying might be offended. that missiles can be made accurate

### BAN:

(Continued from Page 1)

on Feb. 24, Mr. Chun revealed that system required considerable addi- ar arms.

got a hint for the first time why he limh" with his comments, and he ny, France and other European predicted that Washington would countries that and a countries that and a countries that a cou predieted that Washington would countries that nuclear weapons

planned to raise it with Secretary of

hardly feel like readily giving up putes in a speech in Geneva in surgency help to allies must be power from anger."

putes in a speech in Geneva in surgency help to allies must be complemented by U.S. assistance ciple of the need for inspectors to 10 anti-Communist insurgents of "it requires a lot more courage to give up power than to grah it."

have the right to visit sites where a the sort provided by the Reagan country believed that a rival might administration in Afghanistan and Mr. Chun, a former four-star be suring or producing chemical Nicaragua.

running a nation it will hring many treaty are particularly unwelcome should make plans for offensive current fleet of strategic reconnaisamong the West European allies. action, even in self-defense, against sance planes includes the SR-71. The question of Mr. Chun's le- They have said the planned scrapgitimacy as a ruler has plagued him ping of intermediate-range missiles since Dec. 12, 1979, when, with under the U.S. Soviet treaty signed backing from General Rob, he Dec. 8 makes it even more impor-

**ESCORTS & GUIDES** 

REGENCY NY

NY & LONDON ESCORT SERVICE 21 2-838-8027

LONDON

BELGRAVIA

Escart Service. Tel: 736 5877.

MAYFAIR CLUB

CAPRICE-NY

ESCORT SERVICE IN NEW YORK TBL: 212-737 3291.

\*\* ZURICH 558720 \*\*

Private Tourism Guide Service Credit Cards Accepted

LONDON LADY ESCORT SERVICE. French speaking Heathrow & Garwick Tel London 01 769 040°

INTERNATIONAL CLASSIFIED

(Continued from Back Page)

**ESCORTS & GUIDES** 

GENEVA ESCORT

SERVICE. Tel: 46 11 58

CHELSEA ESCORT SERVICE.

l Seauchamp Place, London SW3 Fel. 01 584 6513/2749 (4-12 pm)

GENEVA \*DESIREE\*

SCORT SERVICE. 022/21 99 61

AMSTERDAM 2000 ESCORT SERVICE (II) 20-911030

\* ZURICH \* CAROLINE SCORT SERVICE 01 / 252 61 74

**ZURICH SUSAN** 

ESCORT SERVICE 111/44 24 77

D'DORF - KOEIN - ESSEN - ZUERICH + area. Travel & Escort service. Credit Cards. Tel: (0211) 34 00 64.

PRANKFURT • PRIVATE Collection Escort 8. Guide Travel Servict 1e1(0)e9:62 88 05.

Strongly anti-isolationist, the re-probably start losing satellites and port calls for the United States to the Soviet Union would probably pursue high-technology advantages be able to increase theirs." Mr. Ikle in nuclear and conventional weap- said. cent cut in existing strategic weap-ons being negotiated right now," he said.

The report says that the Western alliance has overemphasized the forces are losing well-located facilithreat of an all-out war with the triggering a massive reprisal, the Soviet Unioo in the form of a masreport argues. The West, it says, sive conventional assault in Europe Many opposition supporters must turn to these "politically us- or of a doomsday nuclear war blamed Kim Young Sam and Kim ahle" nuclear weapons to maintain contingencies that the report calls "the most apocalyptic and least

Already the report is proving Although U.S. strategists have controversial. Plans to explain it in

The report seems likely to simul-taneously reassure and irritate many current policy-makers in the United States, Western Europe and

the Pacific, Key findings include:

• The United States will depend on nuclear weapons as the primary basis of deterrence for the foreseced States believed that verification able future. This finding runs In answering a question on his of a chemical-arms accord was very counter to Mr. Reagan's emphasis resolve to leave office at midnight challenging and that a foolproof on finding ways to eliminate nucle-

"It is an extremely difficult in- nuclear and conventional missiles U.S. domestic political difficulties Park Chung Hee clung to power for spection regime," a U.S. official hy the superpowers (and soon hy 18 years before he was assassinated said. "Given all the problems," he other nations) means that small nu-1979. said, it seems unlikely that the ac-"I often wondered how he could cord can be concluded this year. clear warheads are liable to be used in warfare because they would not

fenses, including the space-hased Mr. Chun said, "As my commit- State George P. Shultz in talks in Strategic Defense Initiative, must fensive missiles. The U.S. role in The Soviet foreign minister. NATO must include plans for intensified. Frankly speaking, in Eduard A. Shevardnadze, seemed Western thrusts deep into Eastern face of such a situation, one would to remove one of the major dis- European territory. U.S. counterin-

general, also said be "had to exert weapons in violation of the treaty. much patience. There were many crises which should have led to mo-hilization of troops in the past.

We can tell the weather close opponents of SDL critics of unit the weather close opponen "What I hate most is to use as how much access inspectors tensity wars" and West Germans force, be said. "If one tries to solve would have, a U.S. official said. and other Europeans who are unproblems through use of force in Delays in a chemical-weapons easy with the idea that NATO

the Warsaw Pact.

**ESCORTS & GUIDES** 

SOPHIE FRENCH SPEAKING Escort and Guide Service, Tel: 370 4067 London.

TOKYO First Class Escart / Guide Service, Tel: 351 22 78.

VIENNA YOUNG ESCORT Service.
Please relephone 83 33 71. Credit

FRANKFLIRT NUMBER ONE = s = s Excert Servica, Tel: 069 - 84 48 75 or 84 48 76

LONDON ONLY JAPANESE ESCORT Service, Blinguol Credit cords, Tet. 01 370 0634 / 673 7194.

LONDON ISABELLE PRENCH speaking Escort Servics. Knightsbridge Telephone 01-235 0592

COPENHAGEN - STOCKHOLM ME

LONDON ORIENTAL GUIDE and E-cont service. Central London/Heath-row. Tel. 01 242 1442 or 0836 630:90

LONDON BRAZILIAN ESCORT Service. Open seven days a week. Multi-lingual. Tel: 01 723 4666.

LONDON RROO SWEDISH high dass Escort Service, Blinguid, Telephone; 01 587 8015

ESCORT Telephore:

BONY 217-213-3282

numamavia Escart Servics Multim-pai. Tel: 451-54 1,7 06 or 54 60 16

enough for conventional warheads conflict - including the hypothetito provide the same long-range ca- cal war in Europe that the Pentapabilities as nuclear weapons do gon spends more than half its budget preparing for - we would

> A growing "access gap" for U.S, forces to allied staging bases is highlighted. Soviet forces, the report says, have moved eloser to likely areas of conflict while U.S.

"The shared risk-taking of letting U.S. or British forces stage through Spain or the Philippines or France is at least as important as the financial hurden-sharing that we talk about so much in the alliance," Mr. Ikle said.

• The United States should emphasize weapons that have a special advantage over the Soviet Union and may be able to nullify major Soviet defense investments. This echoes the philosophy of another new Pentagon study, entitled "Competitive Strategy," that recommends concentrating defense spending in areas such as high technology where the United States has a competitive edge.

For example, radar-eluding aircraft, incorporating Stealth technology, could "render obsolete" the Soviet Union's air defenses, the report says. As a corollary, the United States should not try to match the Soviet arsenal of heavy

of finding missile sites. · Arms-control agreements should reflect the West's defensive needs, not just "engage Soviet leaders in a process" expected to reduce

(Continued from Page 1) course, are difficult and expensive to maneuver and pass over given points on schedule. Anyone wanting to hide something need only

wait until the satellite has passed. The two-member crews of reconnaissance planes can be given missions on relatively short notice and can have their tasks modified while in flight. Decisions can be made on the spot such as circling over a target until the weather clears so

"We can tell the plane to go take a picture of something we want to see when we want to see it," an official said.

The Strategic Air Command's the U-2 and two other types of The United States needs a ma-aircraft. Their crews receive assignjor overhaul of its military satellite ments not only from the Joint program in space to ensure effectively. Chiefs of Staff hut also from the ive communications in wartime. ClA and other intelligence agen-"In any kind of conventional

**ESCORTS & GUIDES** 

e GENEVA DANY ESCORT

ROME CLUB EUROPE ESCORT & Guide Service. Tsl: 06 589 2604 or 589 1146 (from 4 pm to 9,30 pm)

ESCORT AND GUIDE AGENCY. The

AMSTERDAM BERNADETTE Make and Female Escori Service, Tek (0)20 327799 or (0) 20-362833

LONDON AND HEATHROW Scor

Service, all major credit cords accept ed. Tsi: 749 3062 - 749 749?

GENEVA ROYAL GENEVA

•••• VIP Escort Service

Telephone (727 - 812 772

Millon VIP Escort Agency 2-461125

Milan Exclusive multimoural Escor Service, Call right & day, Tel. (39.2 369 1475

NEW YORK - LADY CINNAMON Econi Servics 712-999-2557 Credit Cords Accepted Bilingual services

MADRID IMPACT ESCORT and Guide Service Halhanguri Vina Open 11cm - midnight, Fel-201 4142

US BON VIVANTS Excert Service 212-459-9300 NYC Major Gred Cardt Accepted.

ZURICH MARSHA'S \*\*\* SECORT SERVICE Telephone: (7) - 242 36 52.

### ISRAEL: Gaza Strip Is Starting to Take On Some of the Look of Lebanon

"journalist" in Arahic - went month. up on the windshield of the taxi in Palestinian areas and came down

when soldiers were seen. "Sahafi! Sahafi!" the correspondents screamed out the windows whenever they approached the knots of young men. Usually, the response was a wave of welcome.

But, as the journalists made their way out of the Gaza Strip after dark, the car was surrounded hy a mob of about a hundred young men in the poor, tough Shajaiye neighborhood of Gaza City. The youths pounded on the car, ripping open the doors and shouting angriuntil, after fierce debate among mselves, they let the car pass.

■ 2 More Palestinians Die Two more Palestinians have died, and at least 39 were wounded Reuters reported.

The deaths brought to 29 the citizens.

(Continued from Page 1)

number of people killed in the unuas. A cardboard sign saying sahafi
rest, which has entered its second diers and vehicles. The army said it and patience to adjust the number

was checking the report.

after being shot at his shop in the into the Gaza Strip.

of our own forces and our methods The tsraeli cabinet, meanwhile, Earlier, the army said ismail Hao of action in the circumstances. It is endorsed Defense Minister Yizendorsed Defense Minister Yiziil Abu Louli, 53, shot four weeks not a matter of a day or two, so

hak Rabin's "iron fist" policy, ago in Rafah on the Egyptian bor- don't stand there with a stop- der, died of his wounds Saturday.

Doctors said Toukan Musabbah, Military officials said the army after being shot at his shop in the into the Gaza Strip.

He added, "The residents had better get back to normal life because the longer this goes on, they Mr. Rahin, after touring the area will be the first to suffer.

#### **SUMMIT:** Gorbachev Renews Bid to Meet With Deng

Shajaiye district, where protesters

cow's curiosity about economic and political changes in China, said, "We are greatly interested in reforms of the economic mechanism and political system currently under way in the People's Republic

of China. Under Mr. Gorbachev, the Soviby army gunfire on Sunday in et Union has begun a series of widespread unrest as Israel poured steps, some similar to those in Chimore troops and armored person- na, aimed at reducing central connel carriers into the Gaza Strip, Irol over the economy and govern- conflict. ment interference in the lives of

December, may be linked in part in Mr. Gorbachev's efforts to resolve the conflict in Afghanistan.

China, which has provided aid to Afghan guerrillas, is likely to play a role in ending the war. Mr. Gorba-chev may have felt that a renewed for improved relations with Beijing was advised before resuming diplomatic efforts to resolve the

Eduard A. Shevardnadze, the Soviet foreign minister, visited Af-

The timing of the interview, conghanistan last week as Moscow apdown its involvement there.

Mr. Gorbachev has often used interviews with foreign news organizations to launch diplomatic initiatives or in signal heightened So-

viet interest in a particular relationship or part of the world. The interview in Liaowang sugsted that, following his visit to Washington in December, Mr. Gorbachev was ready to turn his attention toward improving ties

4.7

.

×

a in

10

ad in

ae he !

ad of

ms PI)

he at Pi be the Pi

23) 23)

12-10 s)

**这個的情報發展的問題的** 

-

...

:2

with China.

1-16 11/0 61/4 1

35% 35% 35% 35% 35% 25% 17 T 45% 45% 45%

3-14 1-16 1-16 1-16 5-16

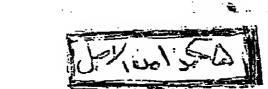
244 3-16 1-16 2 3-36

Polor. 22% 22% 22% 22% RJR Nb 45% 45%

#### **American Exchange Options**

	r n	gures us of close o	TOUGHS PIR	A17.			276 35 276 30 276 40 274 45	r Va 1-16 S 1-16 S	51/2 T	43% 45 43% 50 43% 50	1-14 I	7 2
& price Calls	Pulé	Option & price C	olis Puts	Option & price	Colle Puts	_   ^z	276 48 274 45 50LP 10 174 1272 174 15 57511 45 6 50 6 5772 4 48 1	1 1%	136 r	334 35 334 40	134 166 1 157	Va 30 1 376 1004
Feb Jan Feb 25 r 9	: 5	1849 28 9-1s 1649 2245 F	2 12 13-16 30 F F 5-16 5 F	16% 22% ( Glerrid 26	349 S	r H	sal. P · 10 11/4 17/2 11/4 17/2 15 crslf 45 6 50 6 50 6 57/2 6 57/2 6 65/7 6 65/7 7 7 45 7 7 45	16/9 : 1 5/2 : 7 3/9 : 6/9 2/4 : 5 3-16 : 3/9 3/9 : 5 1-16 : 5 2/4 : r r : 15-34 10/2 : 5 2 : 6/2	r 7-34 34 13-34 134 294 11-16 S	Secote 12½ 16 15 16 17½	336 456 196 136 3-16 11-16 5 9-16	9-16
233 24 54 54 54 54 54 54 54 54 54 54 54 54 54	7 7% 2 7% 1 16 % 016 2	1846   23%   1846   23%   1846   23%   3   3   3   3   3   3   3   3   3	1374 r r 1374 r r 16 3-76 %	14% 22% Glerid 28 22% 27% 27% 25 22% 27% 26	No 5 30s r 10s r 7 20s 5 70s	5 5 5 5	3/72 4 49 1 6 621/2	216 370 34 5	1 F	14 20 Singer 40 47½ 45	334 456 156 136 3-16 11-16 5 F-16 5 F 334 64	
45 51m 517 50 119 317 35 lu 117 40 r 11-16 45 s 7-16	1-16 Vs 9-16 2 1-4 6-46 7 6-74 7 10-75 5 15	61 55 10 <sup>1</sup> 4 sr 50 1 <sup>3</sup> 4 61 45 <sup>3</sup> 4 61 30 5	2 3/2 5/2	574s 50 64 574s 40 4		5 5 14 5 14 24 5 14 24 5 1	0 62% 6 45 6 45 70 6 10 6 10 6 45 7 45 7 40 7 40 7 40 7 40 7 10 7 10 7 15 8 15 8 15	1-16 S 744 F F 15-74	146	47% 55 50not 35	334 644 19 14 1 3-14 134 149	17
40 F 11-16 45 S 7-16 79 S 3-16	5 F	61 30 5 Calus 10 6 <sup>2</sup> h 16 <sup>1</sup> / <sub>2</sub> 17 <sup>1</sup> / <sub>2</sub> 2 <sup>1</sup> / <sub>2</sub> 16 <sup>1</sup> / <sub>2</sub> 16 <sup>2</sup> / <sub>2</sub> 16 16 <sup>1</sup> / <sub>2</sub> 17 <sup>1</sup> / <sub>2</sub> 1-16 16 <sup>1</sup> / <sub>2</sub> 17 <sup>1</sup> / <sub>2</sub> 1-16	376 1-16 Li 14 & 15-16 36 r 24	Geoder 50 11th 57th 50 66 57th 40 9 57th 45 1-k Gould 16 24 11th 12th 12th 11th 12th 1-l 11th 22th 1-l 11th 22th 1-l 11th 22th 1-l 11th 22th 1-l 24th 22th 1-l 24th 22th 1-l 24th 27th 2 24th 27th 2	214 136 36 F 216 F 136 A	230 4	fria 49. 7 45 7 50	1042 S 2 644 4a 244 1-16 1 1-14 S	7 14 2-74 5 15-16 205 374 402 5 5	Sterie 45 74 50 74 50	25% 21 20%	1-34 3 7 11-
75 5 69 45 99 13-16 50 % % 55 r s	41/7 41/4 91/2 5 141/4 5	14/2 30 1-16 14/2 22/4 r Chose 30 2/4 22 22/4 r 22 25 r	5 7% 5 3 7% 5	11% 20 1-16 11% 22% 1-16 Grace 20 44		5 4 5 My	7 40 7 45 10n 7/2	1-14 S	15V <sub>2</sub> 6	74 40 36 40 74 30	21 20% 21 20% 3 11 3 6% 5 2%	S 2
15 0-16   Lu	143u S	22 22% r 22 25 r ChemN y 20 r	1	24% 22% 3% 24% 35 % 24% 27%	5	11/4 8	9 <sub>1</sub> 10 . 7 <sub>0</sub> 1297 9 <sub>1</sub> 15	5-16 9-16 1-16 3	- 274. r	74 10 TRW 45	374 /	16 2
25 1-34 s 120 13 r 15 3-16 Mg	r s	Chernny 20 r 20% 22% r 26% 25 r 20% 30 r Chevrn 30 7%	1 14 r 5-16 r r 5 6/2 5 1/6 r r	Greend 35 2 1-16 27% 30 3-16 27% 40	14 F	Va 1	edEn 15 996 1792 996 20 emi 1292 14 16	7 4½ 24 7 7 30		47% 55 47% 45 Tondy 30	336 P 36 146 1-16 2 646 556 136 736 1-16 36 137 145 14 36 15 14 36	11% 3-16 103 3
17 <sup>1</sup> / <sub>2</sub> r 5-16 25 llu 2 30 l-16 l <sub>2</sub>	[ [	Chevrn 30 7% 61% 45 13% 41% 45 r ChiChi 752 52	1 / 1 1 / 3 2 / 516	Harfir 5 24 630 702 4 Hecla 17/2 7/0 14/4 15	1	F Net	144 14 1465 y 773 14 10 51A1 1245 ndst 2011	7 F. 136 F	2164 r	13% 25 22% 46 Tondern 20	176 576 176 276 1-16 36	- 163 3
170° 10° 1 200 % 1 220° 1 %	14 14	Circus 20 1/e Cansh 50 4/2 24/2 30 /2				r No	Iden   749   19   19   19   19   19   19   19	7 244 11-16 64 34 134	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1976 25 1976 30	12 34 7 5-16	ء مِنْ
2247 r 42 1 15 424 s 20 14 34 2212 14 34 2212 14 34 2212 14 7 25 1-16 r 26 14 27 20 5 140 20 5 140 20 5 140 20 5 140	1/a 7 2% 1 5% 1	291/2 30 1/2 291/2 30 1/2 ColuGs 45 r ConAg 25 24a Con Ed 40 r 43 45 3-16	14	Herrottol 45 2W 43-9 50 M Herrothy 20 1-16 24 50 29 24 30 1-16 24 25 28 Househt 40 29 Horroon 25 87 Horroon 25 87 28/9 27/1 63 28/9 40 1 28/9 45 1-16 28/9 45 1-16	. 434	Non 11/2 2 614 Post 13/4 Post	40 271/2 374 25 4GE 1744	r 24s 11-16 646 3s 13s 1-16 42 13s r r 3s 1-16 4s	1	1972 40 TeleCm 221/2 23/4 35	1-14 .s 1-36 s 36 r 5-36 r	
45 14 372 50 5 142 55 5 42 45 344 F	1-ja 2 5 F	ConsNG 3# 11 39% 35 6 39% 45 1	; ; ;	24 35 3 Houshi 40 24	114 5 1	Por Per 21/2	richy 50 Venery 50 Sia 40	262 F F 872 162 · 236	u 30	Telex 45 55% 50 55% 50	134 5	9-14
477 17 17	120	39% 45 r Contet 25 l-16 Control 5 624 1616 712 614 1034 10 13-16 1	1 1 1	Hutton 20 870 28% 27% 6% 26% 25 3%		Ptu	94 45 94 50	F 872 107 - 230 10a 130 F 30 12 10 5 6 130 234 ta 17a	514 114 134 64	47% 40 47% 45	474 376 5-74 114	. 13 7
3 45 3 lw r 45 lv lv lv 2 47'7 lv 5 5 50 3-16 1 p 20 3-16 1 p 20 5-16 1 lw 30 1-16 1 35 1-16 5 40 1-15 5	1-16 3-16 3-16 15 134 14 5-56 1 10 5	45 -146 CorsNG 36 11 39% 35 4 11 39% 45 6 14 14 15 14 16 16 17 16 17 16 17 17 18 17 18 17 18 18 18 18 18 18 18 18 18 18 18 18 18	4 r Va 1-16 va 44 1-16 s 136 14 5 r 3-16 6 r	61 45 Hutton 20 874 221/2 694 25 374 25 251/4 20 25 251/4 40 251/4 45 1-14	r Va r 2Va s 734 s 1274	5 4 5 Ph	Plu 50 Plu 50 Plu 50	18 24	14 24 44 44 44 44 44 44 44 44 44 44 44 44	7exoco 25 38% 30 38% 35	13% 10% 3% 10% 3% 4%	3-14
30 1-16 Va 35 1-16 5 40 1-15 5	5% r 10 s 15 s	10% 17% 5 Cooper 50 6% 57% 55 %	3%	1000 20  1-14 1904 22% 3-14 1994 25 W		2 4	7% 15 2% 40 7% 45	7% 5 27h 57/s 30 21/2 Vn   Vn 1-16 5	15-14-2 15-34	38% 45 UniNV \$5	8 111-14 8 5	2% 2
12% 1% 2 15 % 11-16	: 16	DSC 5 4e	136 F F	26 22 1/2 26 35 1/2	a r	1 Ph. 10 St.	Pu 55 Mor 80	Va   Va 1-16 S 879 S	r <b>s</b>	5314 75 U Corto 1745	s 1-14	.5-16
7 70 1 2%	96 116 14 T	DIC 74- 34- 104- 10 34 Deers 25 1 35'6 46 th Dig Eq 115 24	334 16 356	Inco	\$ 5	5 6	144 2745 2745 2745 2745 2745 2745 2745 27	7 200 130 130 130 130 130 130 130 130 130 1	51/2 61/2	27% 20 22% 22% 27% 25 27% 30	246 F 56 146 30 1-14 3 24-2 6 30 144 9-16 7-16 1-16 7-16	24
70 30 5 7 70 1 2% 80 3-14 184 25 602 7 30 7 374 35 1-14 5 10 702 7		35'h 48 vi Diez En 115 24 1394 120 1394 1394 125 1195 1304 130 5 1304 130 5 1304 141 147 1304 150 let 1304 150 let 1304 150 let 1304 150 let	5 86 6 16  L. 3  4\( 20 4\) 7\( 20 \) 7\( 20 \) 7\( 20 \) 7\( 20 \) 7\( 20 \) 9\( 20 \) 4\( 20 \) 0\( 20 \) 11	26 33% 1-16 Intigeth 29 4	5 5 64 F	Phi	1Pt 10 34 1294 34 15	4 314 1 134 1-16 Va	r Va Va V2  Va 2Va S- 6	Unitarys 30 3134 3654 3134 3654 3134 3640 USHIFC 5 614 72 USX 2292 3034 25 3044 20 3056 25 USWest 45	202 104 9-16 1	3 <sup>1</sup> 7
45 I-la 5 10 7/2 r 12/2 34 I/a 15 r 34	1 1	130%   120   130%     130%   120   130%     130%   120   130   5     120%   130   5     120%   130   13   70     120%   140   11%     120%   145   145     120%   150   14     120%   150   14     120%   150   14     120%   150   16     120%   155   r     120%   155   16     130%   155   16     130%   155   16     130%   155   16     130%   155   16     130%   155   16     130%   155   16     130%   150%   16     130%   150%   16     130%   150%   16     130%   150%   16     130%   150%   16     130%   150%   16     130%   150%   16     130%   150%   16     130%   150%   16     130%   150%   16     130%   16     1	16   L 3   414	26 33% 1-14 Intert 29 4 23% 22% 6% 23% 35 % Kellog 45 1% 49 56 1%	236 176	11/2 PH 34 34 34 Ph	1795 19a 20 18a 20	1-14 F 5%	5 F 1-76 36 116 236 -F 556	USHbC 5	136	196
1745  -16 S	F 1	130% 150 % 130% 125 3-16 130% 140 1-16	5 r 5	49 58 11/2 49 50 1 KimbOl 45 24 4870 59 24 4870 59 44 Kroff 45 244	24 114 1 1 24 1	200	14 40 14 45	1 13-16 12 146 13 146	1-74 34 114 234 1 516 5 974	30% 25 30% 20 30% 25	105s S 45s S 13s SW	1-16 36 1
40 14 34	5-16 146 5-7 5-4 1-48 37-4 5-74 6 5-74 6 8-78 9-78 11-4 6	1301/2   130 r 1301/2   175 r 1301/2   180   1-16	5 34V3 5	49 50 f KimbCl 45 3 4876 50 714 5776 53 46 Kroff 45 244 4776 50 86 Kroper 35 49	13m r	Pitt	14 40	1.16	; ;	USWst 45 47 50 Vorton 20	114 64	Va T
45 9-16 2 50 Va 3a 55 r 5	51 PM	1301/2 180 1-16 Disney 50 10 5894 55 374 5894 65 74 5894 65 74 5894 79 1-16	5 Us 5 Star 3m 13m 13m 13m 12m 7 av2	Kroper 35 %	134 F 30 5V2 1V0 F 1V4 F	Pri	meC 1242 51/2 15 I 51/2 171/2	3-16 136- 60- 564	4	2497 25 2497 25 2497 30	3% 6% 7 2%	į
45 9-16 2 50 15 15 15 15 15 15 15 15 15 15 15 15 15	[ ]	5874 76 1-16 5874 79 1-16 Donely 35 r	3 T S	7846 75 8U 7846 75 344 7846 86 44	6 1-16 F 1-16 6% % Alb 2% 21-16 \$	Pris	74 22½ 94 25	3-16 136- 10 36 617 566 7 108	1-16	Vorten 20 24/2; 22/2 24/2; 21/2 24/2; 25 24/2; 35 Wolern 36 29/4; 35 Wrn List 46	34 136 14 1/2	94 174
25 5 1-16 25 14 3 30 4 1	15 15-16 2% 3%	56% 78 1-16 Donely 35 r du Pnl 75 16% 82% 80 3 82% 80 3 82% 90 3-14 82% 95 1-16 Duebert 58 30	434 134 134 734 334 145 105 544 705	25 20 F Lility 65 16 73 W 70 BU 78 % 71 34 78 % 85 % 78 % 90 -1-14 78 % 100 1-16 Loted 25 7 20 % 35 W LoPot 25 %	21-16 S S 1999	Pio	CG 75		1-14 P	71% 30 71% 30 71% 50 71% 65 10001851 40 4374 45 4374 50	14 12 16 16 16 16 16 16 16 16 16 16 16 16 16	116
22"5 1 214 25 3-16 145 30 7 3-16	[]	87% 25   82% 90 3-14 87% 95 1-16   Duntard 50 3% 50% 50% 50% 7	1 6 15	38% 38 I 38% 35 %	3 %	PSE AS	74 95 14 95	37/2 : . F 186	74 r 20	77% 65 Vinelist 40 43% 45	1-14 6 590 . r	
10  - 6 r 12\3    \4 _15  - 6 %	14 11-16 114 2	50% M r EmrsE1 30 r 31% 25 Vs Firest 35 r	14 2 F	30°4 35 % LoPot 25 3% 28% 30 % 28% 25 5 28% 49 6	3-16	PSE 24 Quo	G 2234 IV6 25 Inlan 50	r 244		Veresting 45	1-16 9-16 79-2 89-2 29-2 33-6 5-16 19-4	130 11
20 4 14	8 876	72% 35 r 32% 30 3 32% 50 r	746 r r 636 r r	28% 49 4 Lythod 12% 13-16 12% 15 % MacAll 55 2	214 34 14 14 14 14 14 14 14 14 14 14 14 14 14	73 73 73 73 73 73 73 73 73 73 73 73 73 7	A 70	15% 16% 15% 16%	į 34	Vesting 45 51 30 . 51 56 51 45 51 75 Whirler 25	1-14 S	10
Dar I r	7-16	Floatw 15 r 12 1745 49 17 20 5	345	Manylon	60s r 2 23s r 14s 1 1	73 73 142 Rece	Au 70	5 1th	4	WyseTc	5% 2 1% 3 4 1% 0	ş
20 % 15-16 1 35 15-7 7 40 15 % 45 1-16 5 35 27-9 23-6 40 1-16 9-16 25 1 2 30 7 3-9	1	GTE 25 % GerbPd 35 3 36% 49 %	136   154 65   16   7 15   7   7	22 35 1-16 22 36 1-16 22 30 7 Mass 20 51y 24 30 1-16	7 7	7 11	70 124 <sub>2</sub> 15	74 134 2-16 84 1-16 5 1-16 5	14 15 14 14	211/2 221/2 211/2 25 211/2 30	r .44	27%
40 1-16 9-16 25 1 2 30 r 3	44	9'4 7'2   1   1   1   1   1   1   1   1   1	3 34 3 134 494 64 416 697 F	22 35 1-16 72 30 r Mcsco 20 55/2 24 25 v 24 30 1-16 24 35 r Motted 70/2 v Menter 18 kb	16. 136 r 436 s 856	7 11 7 11 8 Roh	57c 174°s mean 20 57c 174°s 57c 176°s 57c 176°	1-16 S 1-16 6 F 1 9-16		21% 20% 21% 22% 21% 22% 21% 25 21% 30 Zenith 22% 14% 17% 14% 20	1 346 10 11-16 2-16 11-16 3-16	Va 29
10 3-16 r	1 1	Glove 15 r	الله و الله	44aataa 18 16		d ~**		914 414	a 11	Total volume	208.726	

### Chicago Exchange Options



# ()NAINVESTI

### Painful Lessons In Privatizing

**How They Fared** +34% Gobain: Panbas -21% CGE : -26% Societe Generale -27% -15% Suez -18%

aod Prime Minister Jacques Chirac are learning. privatization can be a very risky business. Miss Deceuve, one of France's premiere film stars, received her lesson last fall, after she had appeared in television commercials on behalf of Compagnic Financière de Snez, charming 1.6 million French investors into buying shares in the government's 11th privatization effort. Two

days later, Black Mon-day arrived around the world's stock markets. As a result, when Suez stock eventually began trading three weeks later, investors, who had paid 317 francs

per share, were suddenly facing an opening price of 261 francs, an 18 percent paper loss.

Cartoonists had a field day. One depicted Miss Deneuve, all bruised and battered, exclaiming in reference to the advertising campaign theme, "I said you should think about Suez, not that you should buy

Mr. Chirac finds himself in a similar position as a result of last fall's market plunge, except that the stakes in his case are much higher—the presidency. Since becoming prime minister in April 1986, Mr. Chirac has made privatization the backbone of his government's economic liberalization policy. The

government's economic liberalization policy. The program was to be the shining success Mr. Chirac could point to in his bid for the presidency in May.

But most of those new investors in the stock market are likely regretting their purchases and, some analysts believe, could also carry some of that bitteeness to the polls. By year-end only four of the II stocks were still showing appreciation over their issue prices. An investor who bought the maximum allotment of shares in each privatization would have ment of shares in each privatization would have

suffered a loss of 1,915 francs, or 9.5 percent. Analysis believe this fact will stand in the way of any additional significant privatizations, at least un-til after elections. Meanwhile, the outlook for the 11

stocks already in the public's hands is mixed.

Susanna-Hardy, an analyst with James Capel & Co, in London, says Saint-Gobain, the first company to be privatized, in December 1986, will also do wellin 1988. She predicted that carnings per share for the glass and building materials group this year will hit 60 francs, versus 54 for 1987 and 28.7 francs in 1986. Saint-Gobain stock finished the year at 415.5 francs, 34 percent above its initial offering price, but still 20 percent below its 1987 high.

BE THE TAPES AND THE SERVICE OF THE

rading-

achesse Chadale

requirt Read

NALYSTS also expected media stocks Havas and TF1 to outperform the market. Bertrand Coste, a media analyst with Phillips & Drew, says Havas, the advertising and media brokerage group, would be protected in the event of a recession. He said it would also continue to profit from the success of Canal Phis, the pay-TV station in which it has a 25 percent stake.

has a 25 percent stake.

Mr. Coste projects 1988 earnings for Havas of 31.7 francs; against 27 francs last year and 20.9 francs in 1986.

986.
TF1, France's top TV station, is profiting from the failure of another new private station, La Cinq, to garner its projected audience. As a result, Paris broker Cholet Dupont expects TF1's advertising revenues this year to hit 3.8 billion francs, 600 million francs more than originally estimated.

The broker's analysts project earnings for TF1 this year of 3 francs, rising to 8 francs in 1989 and 12 francs in 1990.

Analysts are pessimistic about the outlook for privatized companies in the financial sector, particularly Paribas, Societé Genérale and Suez.

CGE, one of the worst performers of the privatized stocks in 1987 with a 26 percent decline from its mitial price could also have a rough time in 1988, as foreign investors have widely abandoned it. Ms. Hardy projects the electricals and publishing group will have 1988 earnings of 28.2 francs, up from 23.9 francs in 1987 and no earnings in 1986.

Although individual shareholders, for the most

part, have not sold their investments in the privatized companies, a question mark remains over how long they will hold out. Some analysts expect a flood of selling later this year, after investors receive free shares that the government promised to investors who held on to their stock for 18 months. The first free shares will be awarded in July for original subscribers to Saint-Gobain, followed by Paribas

Jacques Neher

### UPDATE

#### **Currency Funds**

NVESTORS who keep score in dollars did well in 1987 to put their cash in some other currency. One measure of how well is the performance of offshore currency funds, which are essentially money market funds denominated in various currencies. The funds offer a comparatively easy way for investors to speculate on

foreign exchange moves.

Offshore currency funds whose assets are in yen returned an average 30.7 percent in dollar terms last year, according to figures compiled by Lipper Analytical Services. Dentsche mark-denonmated currency funds returned 23.8 percent, and sterling funds were up 28.5 percent. By way of comparison, the return on three-month U.S. Treasury bills in 1987 was a scant 6 percent.

But even the most committed dollar pessimists say that the U.S. currency is probably around its lows after its December slump, and many have increased their dollar exposure. A year ago, Guinness Flight's managed currency fund, which tries to exploit foreign-exchange shifts to maximize its share value, had virtually no dollar exposure. Now the fund allocates 25 percent of its assets to the dollar, 20 percent to the mark, 10 percent to sterring and 45 percent to the

Since the middle of the summer of last year, we felt that to adopt such an extreme position was no longer entirely appropriate," says Phillip Saunders of Guinness Flight, "We still face some unpleasant problems with dollar adjustment, but quite a lot is

## New York's Apartment Market Gets the Jitters

### In London, ripples from the crash are surprisingly absent.

By Marybeth Nibley

HE BRITISH have a word for it - ga zumping. The term applies when the seller of an apartment or home, after agreeing to a sale, entertains and accepts another, higher

Gazumping has grown common during London's real estate boom as sellers make the most of a hot market. But after October's debacle on the stock exchange, buyers may see less of such tactics, real

estate agents say.

"There's no doubt with the stock market crash the property market has suffered — if only through oer-vousness," commented Nick Adams at the Chelsea office of Jackson-Stops & Staff.

But while the game may be tipping a bit in the buyer's favor, there are few signs that the rise in prices for prime apartments is slowing. Property in exclusive areas, such as those clustered near Hyde Park like Belgravia, Knightsbridge or Mayfair, probably will sell easily at increasingly higher prices, estate agents say. Sales may be more difficult in slightly less desir-

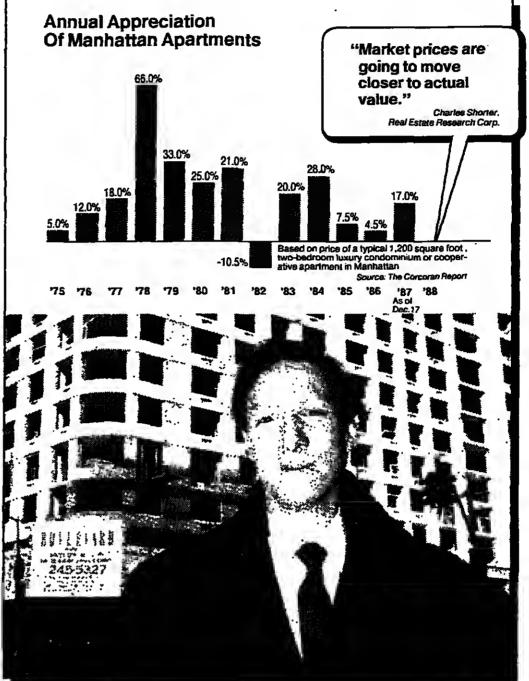
In fact, observers seem almost puzzled that the property market has done as well as it has. Tim Walker, deputy chairman of the Henderson Unit Trust Management Ltd., who guides the Prime Residential Fund, says: "It's very difficult to crystal-ball grave in this particular market. To a decree it's grips to gaze in this particular market. To a degree, it's going to be affected by the level of confidence generally, but the ripple effect has been far less than anyone has

London's historic role as an international business center helps prop the market even in uncertain times. But more importantly, accommodation in London seems cheap by Tokyo or Manhattan standards. Helping out in recent months has been a decline in interest

One area that has provoked concern is the Docklands, an 8 1/2-square-mile (22-square-kilometer) area that in many parts resembles a vast huilding site.

"It's popular right now to knock the docks," says Kevin Ryan, director of Harrod's estate offices. Critics cootend the Docklands contain an abundance of residential properties that may become a burdensome part if green lating integers discourt glut if speculative interest dies out. Docklands developments have attracted speculators

who have bought in ahead of completion on the Continued On Page 8



Developer Bruce Eichner sees a shortage in some housing sectors by 1989.

#### Financial sector layoffs undermine buyers' confidence.

By Leslie Whitaker

NLY A WEEK and a half after Franklin Speiser, director of residential sales of Sulzberger-Rolfe, sold a \$480,000 twobedroom condominium on Manhattan's East Side to a "quintessential yuppic couple," they called him with disturbing news.

The young professionals, both employed in the financial services industry, said they had to sell the home they had purchased in December. Unsure of the

future, they felt it was time to raise cash.

Mr. Speiser's elients are typical of the highly paid
Wall Street employees who were courted by New
York's real estate developers during the last few years.

Most of the units constructed in the last two or three years were designed specifically for individuals benefiting from the securities boom. Often, they were smaller units outlitted with amenities such as skytop

lounges and health clubs.

The Oct. 19 stock market debacle shook investors in most markets, and real estate was no exception. As securities firms suffer the aftermath of the stock market's historic plunge - with thousands stripped of year-end bonuses and jobs — their financial misfor-tune jeopardizes the demand for the luxury residences that have crowded Manhattan's skyline.

Even the market for apartments fetching sevenfigure prices has been affected, though to a far lesser extent. "Eight months ago, I sold a \$6.5 million apartmeot on Fifth Avenoe at the full asking price in a week," says Gayle Morgan, an independent real estate consultant. "Today, I could get pretty close to the asking price, but it would take a month or two."

For most of last year, brokers were celebrating. Prices were climbing faster than they had in 1986; commissions were high. But the 508-point plunge in the Dow Jones Industrial Average sent a sudden chill through the real estate market.

through the real estate market.

In Manhattan, where property transactions are traditionally sluggish from Thanksgiving through January, they slowed to a crawl. The sales volume of luxury condominiums was off by 40 percent from a year earlier during the last two weeks of October, and down 30 percent in November, according to a study done by the Corcoran Realty Group.

"Those in the process of looking all stood still," says Barbara Corcoran. "It was less a loss in portfolio than a lock of confidence on the buyers' part."

a lack of confidence on the buyers' part."

How long the prevailing mood will last is uncertain.

Continued On Page 8

### Keeping an Eye On the Insiders

By Cynthia Catterson

AST YEAR, it dominated headlines and cocktail party banter, and even inspired a major motion picture. Yet, to many analysts and money managers, insider trading is hardly the kind of topic that justifies sensationalism.

Market watchers have been moni-

toring insider transactions for years in the belief that certain moves made by corporate officers can be both a barometer of market sentiment and a useful tool in predicting the future of individual companies. And it is perfeetly legal.

Unlike illegal insider trading, where insiders are prohibited from profiting from nonpublic information about specific deals, contracts and negotia-tions, the Securities and Exchange Commission permits corporate officers, directors or anyone who owns at least 10 percent of a company to act on general information about their com-

In turn, insiders must report their transactions by the 10th of the month following the trade. The information is then made public by the SEC. Moreover, insiders must hold their shares for at least six months and they are forbidden to profit from price declines selling short.

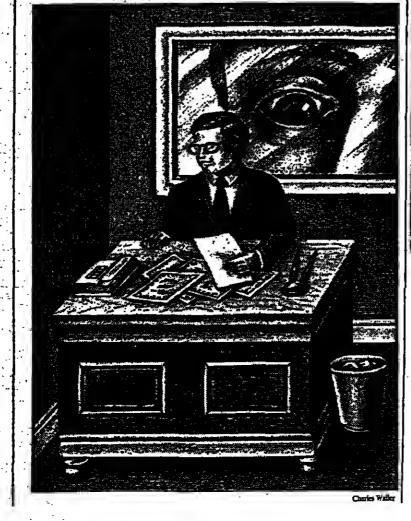
Although professionals cannot guarantee that following insider moves will always lead to profit, a number of academic studies at such institutions as Yale, the University of Pennsylvania and the Massachusetts Institute of Technology indicate that stocks bought by insiders have outperformed the market. And those that have been sold have underperformed it.

Other university studies have con-cluded that investors who follow the actions of insiders can outperform the market by anywhere from 3 percent to

Edwin Buck, editor of Vickers Weekly Insider Report, a oewsletter based in Brookside, New Jersey, be-tieves there is no better expert on any one company than those who run it. Corporate officers, he says, take into account price-earnings multiples, interest rates, balance sheets and then distill these factors. "Collectively, there is no reason why they can't be the best forecasters," Mr. Buck contends.

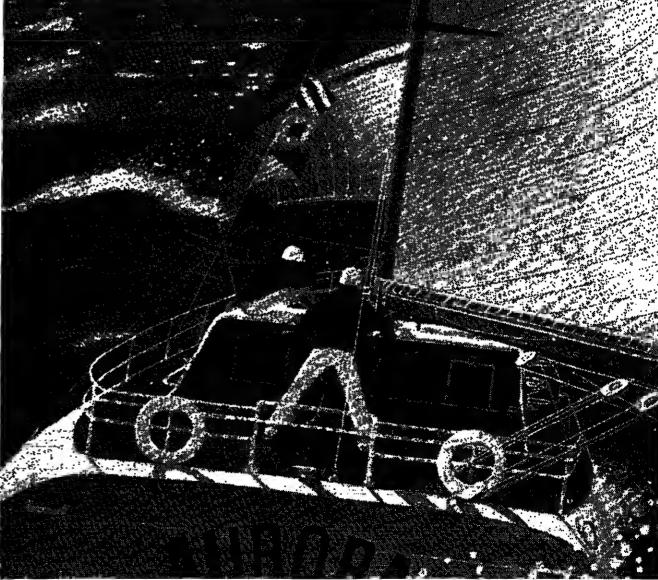
In 1986, for example, he watched

Continued On Page 8



NI Navigator.

Your Financial Consultant's most important job is to understand where you want to go and how to chart your course.



As an active investor, you need a partner who keeps abreast of financial opportunities virtually everywhere around the globe.

Your Merrill Lynch Financial Consultant is the person you can rely on. He'll become familiar with your long-term objectives, and carefully help you fulfill them with all the resources of one of the most experienced financial institutions in the world. Through your Financial

Consultant, we give you access to markets around the world, around the clock, the benefit of our top-ranked research team, and a broad array of other services.

Merrill Lynch Financial Consultants are ready to help you move ahead in 26 offices in 16 countries throughout Europe and the Middle East. To find out more, send for a complimentary copy of our brochure Financial

Services For The Private Investor. Write in complete confidence to Mr. A.J. Nemeth, Merrill Lynch Europe Limited, 26 Finsbury Square, London EC2A 1AQ. Or call 01•382•0703.

Merrill Lynch

best 1 Ste-Asset

stitu-going chief e the iaries

on, ion an ibis PI)

### Have all the advantages of a bank account in **LUXEMBOURG**, without actually being there.

To discover the advantages of banking in Luxembourg with BCC, all you have to do is to simply mail the attached coupon. We will promptly despatch to you by airmail our booklet containing detailed information about banking in Luxembourg.

The BCC Group has offices in 72 countries, its Capita Funds exceed US\$1,500 million and total assets US\$17,500 million. The Head Office and branch of the Bank of Credit & Commerce International S.A., in Luxembourg enable you to make full use of the unique advantages offered in Luxembourg which include:-

 Total confidentiality of investor's affairs by the laws of Luxembourg. The benefits of being able to open and operate an account in Luxembourg

without actually going Investments and deposits made by non-residents and there is no with-

holding tax on interest

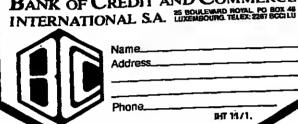
Luxembourg is a stable. prosperous financial centre in the heart of Community.



INTERNATIONAL AND

PERSONAL BANKING

BANK OF CREDIT AND COMMERCE



### **PERSONAL INVESTING**

IN THE IHT THE SECOND MONDAY OF EACH MONTH. EDITED FOR THE SOPHISTICATED INVESTOR -AN ESSENTIAL GUIDETO OPPORTUNITIES AND PITFALLS ---WORLDWIDE

#### REAL ESTATE

## New York Apartments: The Market Stumbles

Continued From Page 7

Economists are still debating the likelihood of a U.S. recession this year. A major concern is interest rates, which may face upward pressure if the dollar continues to drop. Currently, mortgage rates are holding steady at about 11 percent, up 1.5 points since last

Not surprisingly, investors, who by some estimates have accounted for as much as 40 percent of condominium purchases in Manhattan in recent years, have been reluctant to commit themselves.

Many experts are hoping that the worst is over and that prices will stabilize. Ms. Corcoran believes residential real estate prices will continue to appreciate at about the same rate in the first quarter as they did

Other market experts are less sanguine. Lloyd Lynford, president of Reis Reports, a New Yorkbased real estate market research firm, predicts that Manhattan will lose 50,000 jobs through layoffs in financial services and related industries this year.

That can't be good for demand," he says. Moreover, analysis point to the 18,000 units that came on the market last year, a surge in supply that could postpone a significant recovery until 1989 or

A few analysts even are fearful of a drop in residential real estate prices io New York. The last time this occurred was in 1982, when there was an average 10.5 percent price decline brought on by a surge in interest rates.

Charles Shorter, senior vice president of the Real Estate Research Corp., ooles that Manhattan real estate averaged a 12 percent annual appreciation during the last five years. "It was superbeated. That's going to stop," he says. "Market prices are going in move closer in actual value." move closer in actual value."

Not surprisingly, a oumber of experts believe the

#### Co-op Vs. Condo

Roughly 80 percent of Manhattan's apartment market is made up of ' cooperatives Those who buy into a co-op own shares in the building rather than an apartment, with the number of shares determined by the value of an individual's apart-

▲ Co-ops cannot be rasold or rented without the approval of a board that is elected by shareholdars. There are no such residency rastrictions when it comes to condominiums. As a result, co-ops are considered less liquid and generally less expensive than condos.

- Co-ops. however, frequently require

large downpayments, sometimes as high as 50 percent or more of the purchase price. Because of the limits on financing. experts say co-ops have been affected less by the aftershocks of the stock market crash. Strict financial requirements limit their purchase to well-established buyers. / But some co-op boards, which must ap-prove apartment buyers, have become more discriminating since the crash. The negative psychology has alfected boards. says Marilyn Kaya, president of M L Kaye. a luxury apartment broker. "We have seen more turndowns at the upper end.

turmoil in the apartment market may spell opportunity for investors. Ms. Morgan, the real estate consultant, ootes that there is great hesitancy among buyers looking for an apartment below \$1 million and that could affect prices. "For the next year or two, there are probably some good buys out there," she says.

Of course, price gains will vary according to location. Many analysts still believe that the Upper West Side stretching from the 70s to the 90s offers the best price potential. Likewise, Union Square is considered utractive as it experiences "gentrification."

But some experts worry that the previously chic

areas of Lower Manhattan may experience some difficulties because of the setbacks on Wall Street. So far, however, the 4,000 units of Battery Park City, near the Wall Street area and the new World Financial Ceoter, seem to be selling well.

Experts agree that the residential real estate mar-

ket in New York will gradually recover after 1988. And the supply of available apartments should de-

Construction contracts retreated to \$832 million in 1986 and \$854 million last year. Buyers currently can choose from about 4,000 apartments in 75 new buildings. But only 2,000 new condominiums are expected to enter the market for each of the next three years. according in Mr. Shorter. lo light of Manhattan's 2 percent vacancy rate, "that's very little new product indeed," he says.

Bruce Eichner, a developer whose 353-unit condominium, the Boulevard, at 86th and Broadway, will be put on the market early this year, ootes that his project is the only oew building on Broadway, a popular West Side location.

The choices are relatively thin," says Mr. Eichner, who worries that construction has slowed so much that "we are facing a shortage of housing in the middle price condo and rental market in the third

quarter of 1988 or beginning of 1989."

Analysts note that there is already a shortage of prime properties, pre-war two-bedroom or larger apartments with appealing architectural details, solid walls and fireplaces. They have a semblance of stability and soundness, and continue to appreciate

at a high rate," says Mr. Speiser.
Investors should also be heartened by a strengthening of the rental market since Oct. 19. The ability to generate rental income is a critical consideration for nonresident buyers.

People are opting back to renting until the economy takes a more definitive direction," says Russell Newman, vice president of S.J. Landau, developer of the Vogue, a luxury rental building that opened 16 mooths ago. The Vogue, which has 320 apartments, is 97 percent rented. And other rental projects are in the

The steep decline in the dollar has already convinced many foreigners in re-enter the market. We've had great success in the past month or so selling to foreigners," says David Bates, senior vice president for Sotheby's International Real Estate.

In particular, he says, the Japanese, who have been conspicuous consumers in the commercial market, have also been big buyers of residential real estate in And the oumber of brokers and developers courting foreign buyers is growing. Mr. Eichner, the devel-

oper, says he has already made several marketing excursions to Europe and Asia. The Sunshine Group, which markets 30 East 85th, the most expensive building in Manhatian, with prices as high as \$1,800 a square foot, plans to open satellite offices in Geneva, Londoo and a Far Eastern

city by year's end.

LONDON DOCKS ROTHERHITHE BERMONDSEY Looking toward Tower Bridge from a development in London's Docklands

## London: The Ripples Are Few

Continued From Page 7 amption that the resale value will give them a tidy profit. The size of this "futures market" is hard to

Ironically, one of the highly touted features of the Docklands, its proximity to the City of London financial district, may be a factor in its vulnerability in the wake of the stock market slump. Although their importance to the Docklands is undoubtedly exaggerated, young single people working in bank-ing brokerage or other City professions are consid-ered a viral element in the pool of potential buyers. Estimates that as many as 50,000 city jobs may disappear due to the crash have not gone unnoticed.

Prime Docklands sites, particularly close to the river and therefore closer to the City, will fare well and fetch higher prices. A new Docklands twobedroom, two-bathroom flat with modern conveniences and a river view was listed in a recent estate agency magazine for 5750,000.

Stephen Krause, with Clapshaw's estate agency in the Docklands, says such a property could realistically command that price. But further afield, agents may find themselves needing to hone their selling techmques and developers may have to accept slightly less than they thought they would.

"It's not going in be the nasty approach anymore—we're the agents, you come to us," Mr. Krause says, "The agents will have to bring people in. It's going to be a very difficult year.

Dominic Grace, of the Saville estate agency, says the Docklands had become a frenzied, overheated market with properties being "traded almost like sacks of potatoes."

"From now on, more natural and normal forces

will be operating," he says. His firm, like others, has experienced some withdrawals, "It was inevitable that, with the stock market crash, some people weren't as rich as they thought they were. Some deals have fallen out of bed or had to be renegotiated," Mr. Grace reports. But the number of these withdrawals has been negligible, estate

The resilience of the real estate market has our founded professionals. Housing prices, not just in affluent London but throughout the United Kingdom, have been running far ahead of income grown with dwellings costing in some cases more than son times average earnings.

times average earnings.

Barry Bissett, housing statistics manager at Nationwide Anglia building society, says that in the judgment of mortgage lenders, a more reasonable elationship between housing price and income is 3 to

At the Halifax building society, research manager lan Lumsden says there is no sign that first-time buyers, who would be most apt to feel the income pinch, are being priced out of the market Firsttimers are believed to be pooling resources or relying on inherited funds to meet down payments.

Mr. Lumsden says Halifax, the biggest British

mortgage lender, had expected a moderation in 1987 house price rises, but it did not occur to any signifi-cant extent. In greater London, the prices of houses and flats rose 23 percent in the fourth quarter of 1987. from the corresponding 1986 quarter, compared with a 25 percent rise the previous year.

According to the agents, the perferred flats are ones with at least two bedrooms and two bathrooms with a relatively long lease in a fashionable location. For those, buyers should expect to start at £250,000.

The term of a leasehold depends to some extentions the neighborhood. A term of 50 years on a Mayfair property may be considered long, whereas in Kan-sington, a 75-year leasehold would be deemed by sufficient duration to warrant a considerable suis, estate agents say.

At the end of a lease, the property reverts to the owner of the freehold, perhaps a wealthy family charity, unless an extension has been negotiated. The vast majority of London property is leasehold and the rest is held "in perpetuity" by the owner of a

A luxurious, useful gift for executives on the move.

# that picks up and goes with you

Half your life's story-or even more—is inscribed on the pages of your desk diary. Yet when you travel or go to meetings, most desk diaries are too cumbersome to take along.

That's why the International Herald Tribune - constantly alert to the needs of busy executives — had this desk diary especially designed for its readers. Bound in huxurious silk-grain black leather, it's perfect on your desk, offering all the noting space of any standard desk diary. Yet pick it up and you'll find



No voluminous data and statistics are included in this diary, but on the other hand a removable address book saves hours of re-copying from year to year.

Diary measures 22 x 15 cm (8.5 x 6 in.), fits easily into the slimmest attaché case, and has gilt-metal

corners, gold page-edges and French blue paper. Personalized with gilt initials on the cover, it's a marvelous gift for friends, business contacts and associates. (Note that quantity discounts are available.) Please allow 30 days for delivery.

it weighs a mere 340 grams (12 oz.). Herald Eribune

International Herald Tribune, Karen Diot, Special Projects Division, 181 Avenue Charles-de-Gaulle, 92521 Neurilly Cedex, France.

Payment is by credit card only. All major cards accepted.  (Please note that French residents may pay by check in French francs, at the current exchange rate. We regret that checks in other currencies cannot be accepted.)  Please charge to my Access Visa Amex credit card:  Eurocard Diners MasterCard	P. Pr.
Card No Exp. date	Α
	O

Please send me \_\_\_\_\_\_ 1988 IHT Portable Desk Di Price includes initials, packing and postage in Europe. 1988 IHT Portable Desk Diaries. INITIALS up to 3 per diary 10-19 dianes U.S. \$37each U.S. \$35each U.S. \$33each ame BLOCK LETTERS) ddress ity/Code/Country

### Taking Cues From Company Insiders Continued From Page 7

closely when a total of 14,400 shares were purchased by seven top-ranking managers of Black and Decker, including the president, Nolan D. Archibald.

The future of the electrical appliance giant looked bleak back then, says Mr. Buck. The company was undergoing costly streamlining efforts and was having trouble digesting its acquisition of the kitchen appliances division of General Electric. Management was being restructured and the still strong dollar was burting the company, which has 50 percent of its business in exports.

Encouraged by insiders' confidence, Mr. Buck recommended the stock in October 1986, when it was at \$16.13 a share, and two weeks later at \$17.38. The stock went as high as \$26.50 last August. At current levels of about \$15, the price range where insiders bought last year, Mr. Buck is once again heavily recommending this stock.

"They have resolved all their problems of last year, and the dollar is weak," says Mr.

Insider purchases traditionally have been considered more reliable signals than insider selling, observers say. An insider can sell for a oumber of personal reasons. But Paul Simmonds, director of research at the Institute of Econometric Research in Fort Lauderdale. Florida, which publishes The Insiders, says insiders buy for only one reason: "They believe they can make a profit."

In the past, the ratio of insider sales to purchases typically was about 2 to 1. However, the market crash in October set the stage for unprecedented buying. Since the crash, analysts report the ratio reversed to as high as 11 to 1 in favor of buying. Nowadays, the ratio averages about four buys for every sale.

"Insiders saw their stocks knocked down, even though business is good and profits are rising, so they took advantage of bargains," says Herb Messing, publisher of The Insiders Chronicle, a newsletter based in Boca Raton,

For optimists, the insider shopping spree translates into a bullish outlook for the market, but some warn that investors must monitor this activity with a discerning eye. Just because there is insider boying does not mean the company is a bargain.

"I take the buying as a vote of confidence but we have to wait a bit for the dust to settle and get a more normal-looking market after the first of the year,"says William Mehlman, editor at The Insiders Chronicle.

Barry Unterbrink, editor and president of Consensus of Insiders, a Fort Lauderdalebased weekly newsletter, has remained wary since October. Before the crash, he had been recommending that portfolios have 50 percent invested in insider-supported stocks. He has since reduced his position to 15 percent.

Other insider experts feel less cautions. "You only have a crash once in a lifetime, take advantage of it," says Mr. Buck at Vickers. Experts warn that insider selling can be a

misleading indicator because officers frequently sell blocks of stock for personal reasons not related to company performance. In addition, generous options plans at many of the large, blue-chip companies often result in frequent selling transactions among officers,

Still, selling can portend bad news such as poor earnings, slackening sales or delayed

#### **Five to Watch**

The Dec. 11 Issue of the "The Insiders" newsletter gave five companies highest rating of 10 and recommended two for purchase. Ratings are based on several factors, including how many officers are buying or selling, how many shares are bought and sold, and the position held in the company by the trading



#### Harcourt Brace Jovanovich Inc.

Between Sept. 23 end Oct. 28, e total of 1.13. million shares were purchesed by officers of this diversified publisher. Chairman William Jovanovich bought 515,000 shares at about \$8.75 to \$9 each on Oct. 16. There were no sellers during this period. The stock, an "Insiders" recommendation, was selling for \$7 on Dec. 31.

Between Oct. 18 and 26, 12 directors end vice presidents purchased. 25,100 shares in this retailer, the other "Insiders" recommendation. Director Howard H. Kehrl bought 10,000 of those shares at \$29.50 on Oct. 21, increasing his holdings to 10,800 shares. There were no sellers during this period. The stock traded at \$27.63 on Dec. 31.

Six officers of this insuror purchased e total of 116,100 shares during October. The most significant buyer was Irving Schneider, e director who bought 38,400 shares at \$5 to \$6.38 each. Bruce L. Sokoloff, a vice president, bought 5,000 shares on Oct. 2, when the stock was at \$9.38, and 1,200 shares on Oct. 30 et \$6.50 each. There were no sellers during this period. The stock was selling for \$5.75 on Dec. 31

#### Air Wisconsin Service

Dayton-Hudson Corp.

A total 23,100 shares were purchased between Oct. 21 and Oct. 29 by eight officials of this regional airline. Chairman Arthur G. Hailand Jr. bought 6,000 shares on Oct. 28, increasing his holdings to 118,000 ahares. Two other officials sold shares during this period. The Dec. 31 stock price wes \$9.75.

#### **Shearson Lehman**

Five insiders of this major brokerage and investment firm bought a total of 22,400 shares between Oct. 21 end Nov 10. Chairman Peter A Cohen bought 15,000 shares at about \$15.38 to \$16.63 each. The other four buyers were directors in the firm, which recently acquired E.F. Hutton. There were no sellers. The Dec. 31 stock price was \$17.

takeover talks, especially when the selling is unusually heavy and done over a short period "If three or four officers are selling 40 to 50

percent of their holdings in the company within a two-month period of time, they know something serious is going on," Mr. Uoter-brink says. "Those kind of moves are a good warning sign."

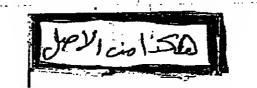
A classic example, he says, occurred in the

summer of 1986, when a dozen directors and vice presidents at the retail chain Zayre Corp. began selling large blocks of shares when the stock was in the \$80 range and again, after a 2for 1 split, at \$38 to \$40. The stock subsequently slumped to about \$21 per share in October following poor third-quarter earn-

Not everyone is coovinced that the road to riches follows insiders moves. Skeptics argue that the lag time between the mader trading and the published SEC reports can be as long as six weeks and that stock prices change long before investors have a chance to act on the information. Moreover, even insider enthusiasts lament the SEC's failure to enforce filing

And, insiders can be wrong. Insiders gave no indication that they saw the crash of October coming. According to Mr. Simmonds at the Institute of Econometric Research, buyers accounted for 48 percent of all inside mades for the 30-day period before the crash.

Few newsletters recommend a stock based on the insider actions alone. Rather, they analyze the transactions along with other fundamentals that damentals that could affect the company. However, the insider move is given the profile ry point of reference.



The artists of the second Anglement of the second Fig. 1 to the little Service of treatment of the contract of the co

The Pro

By John Record

155essil

ifm behave

SALE SLEET A 34571.2'11 -100 U.C

1 The second second A STATE OF S 

TOR BEST BI

out Charles The same tree imp STORE THE COURSE 100 to 100 100 to 100 to 100 to design for some order To the last party

lechim Goldenste Coldensier BVI Established 1928 Automatic State State

going chief e the iaries

rs are

best i Ste-

call

:. 690

op of Page

OUR NEW

## Assessing the Damage at U.S. Brokerages

ew believe dese stocks mve seen their lows.

By David C. Lanchner

T WAS A tough year for broker-ages. Battered by insider trading scandals and the downturn in bond prices, and finally humbled by Oca's historic stock market collapse, the S. securities industry closed the books one of its most disappointing fiscal

Not surprisingly, brokerage stocks, nich were already out of favor for most 1987, mirrored the trend. Since Octothey have sunk more than 40 percent. he majority are now trading below book this for the first time since 1982.

ndon's Dockland

as been negligible, este

eal estate market has my

fousing prices, not just a oughout the United Ka

ar ahead of income good is some cases more than in

statistics manager at N. ... g society, says that in the

enders, a more reasons

sing price and incomes in

g society, research many

nost apt to feel the more

out of the market Fig.

pooling resources or reject

falifax, the biggest limit sected a moderation in 15

lid not occur to any signi

ondon, the prices of home

in the fourth quarter of 18

986 quarter, compared w

nts, the perferred lang

drooms and two bathron

se in a fashionable locais expect to start at £250,00 d depends to some extents

m of 50 years on a Mayfe

ered long, whereas in Le

hold would be deemed!

arrant a considerable an

the property revers to the erhaps a wealthy family con has been negotiated. The approperty is lessehold are petuarty." by the owner of a

ders

live companies its Ratings are based on

r selling, how many

vich inc.

n William

a total of 1.13

ere no sellers

tor \$7 on Dec. 31.

idents purchased

ecommendation.

hares at \$29.50 of

,100 shares during

nneider, a director

ice L. Sokoloff, a

n the stock was at

\$5.75 on Dec. 31.

t. 21 and Oct. 29 by

nur G. Hailand Jr.

dings to 118,000

period. The Dec. 31

ent firm boughta ). Chairman Peter A 16.63 each. The

recently acquired ock price was \$17.

between the insider makes a SEC reports the best with the stock price thank that stock price in side of the beautiful and the beautiful an

Personner of all cross productions above with other second article with other second affect the other

There were no

here were no 63 on Dec. 31.

an "Insiders"

I by officers of this

nares at about \$8.75

ompany by the trains

vious year.

et down payments.

But for those investors who believe that the sector may have suffered enough, mink again. Although the stocks have been skidding since November of 1986, alysts warn that a number of these tocks have yet to test their lows.

lames Hanbury, who tracks the sector or Wertheim and Co., is making no purhase recommendations, an extreme step but in keeping with the cautious approach being taken by virtually all brokerage instry analysts.

The bottom line is that these compa ies are going to have to continue firing people left, right and center if they are really going to prepare for the various consequences of economic uncertainty," Mr. Hanbury says. His advice to owners of these issues: "Hold em and hope."

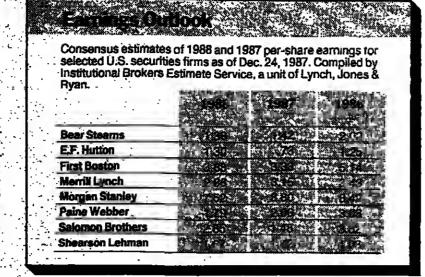
The biggest problem for analysts is de-termining which companies are best pre-pared for the vicissitudes of 1988. Most liad seen their fortunes grow in line with the boll market that began in 1982. Coping with a flat market or the beginning of a bearish one is another story.

All agree that earnings from 1987 will be down, with a further drop expected in 1988. But whether retail firms or those that serve institutional clients will prove the better survivor in 1988 remains at the

center of a lively debate.

On the retail side, volume in the equity markets is expected to be down dramati-cally this year. But increased bond fund-and annuity sales at firms like Mertill-Lynch and Shearson Lehman Brothers is Expected to take up some of the slack.

Whether these sales are sufficient to offset the loss of commissions on the equity side remains a question, especially riven the low profit margins of retail firms. Michael W. Blumstein, an analyst with First Boston, believes the absence of tradi-tional stock investors will hurt. "If you look at 1984, the last time trading thinned



tice that when revenues turned down a little bit, the bottom line turned down a lot. High overhead at the full service retail

Industry observers generally agree that Shearson, on a long-term basis, is the most attractive buy among big retail brokers. It has a reputation for tight management and, more concretely, has the highest profit margin, roughly a full percentage point above the 3 percent performance turned in by fellow full service competitors in New

The company's November purchase of E.F. Hotton at a very attractive price of \$960 million, or 1.5 times book value, will

almost certainly result in some short-term reorganization expenses. But it should make Shearson large enough to enjoy sig-nificant operating economies when good times return to Wall Street.

Also on the retail side, analysts contend that regional firms like Legg Mason in Baltimore and AG Edwards in St. Louis are appealing as long-term buys, again because of high profit margins. While rev-enues are considerably smaller than at the large New York firms, regionals tend to have profit margins that hover in the 8 percent rather than 3 percent range.

When it comes to institutional brokers, bad news abounds. Underwriting activity

is expected to decline dramatically this year, with some analysts forecasting a 25 percent drop in new issues. Also, falling demand for junk bonds is expected to push sales of these securities down as much as 45 percent. The slim market for junk was exemplified recently by the failure of Salomon Brothers to find buyers for its high-yield Southland Corp. bonds, first offered last November.

Still, a number of analysts believe that institutional houses, where profits average about 10 percent of revenues, will fare better than their counterparts on the retail side, thanks to the fat lees generated by investment banking departments. Merger and acquisition activity, they contend, will make it easier for companies like Morgan Stanley, First Boston and Salomon to deal with a flat stock market.

Mr. Blumstein of First Boston cites low interest rates, low share prices and the decision by Congress not to tax merger and acquisition activity as harbingers of an upturn in mergers this quarter. "A lot of deals put on hold because of the tax issue should go through this quarter, bol-stering the finances of these companies."

Morgan Stanley, the market leader in mergers and acquisitions, represents a sig-nificant value at its current price of 1.2 times book or 7 times its 1988 earnings estimates of 57 per share, according to Mr.

Brenda McCoy, an analyst at Paine Webber, doubts that the takeover business will remain so profitable, given the uncertainty about the economy. But she rates Salomon Brothers a buy in part because of its tough reorganization plan, which was announced before October.

### UMBRELLA UNDER WRAPS UNTIL LEAP YEAR'S DAY ON (01) 837 6494 LEAP YEAR BONUS invest at least US \$10,000 the offer period and qu FREE INFORMATION PACK PRIORITY RESERVATION MEMBER OF: FIMBRA ... OTHER RETURN ADDRESS ÆTNA FEDERATED INTERNATIONAL 401 St John Street, London ECIV 4QE, England

### Resilience of the Discounters



ber market collapse, no retail brokerage experienced such precipitous drops in share price as the two publicly traded discount firms, Charles Schwab and Quick & Reilly. Both companies have seen about 50 percent of their equity value disappear since Black Monday.

That news should come as oo surprise to investors aware of the discounters' almost ex-clusive dependence on brokerage commissions. Unlike their full-service competitors, they do not have a host of

fixed-income and insurance products to boost revenue. What should interest investors is that these stocks are expect-

ed to weather 1988 as well as, or better than, full-service brokers. The reason is big profit margins, which stand at about 14 percent at Schwab and 18 percent at Quick & Reilly.

There are no resources to cushion a decline at the discounters, but there also is no expensive infrastructure," says Doyle

Lyons, an analyst at Merrill Lynch. "I think the two wind up canceling each other out."

Ms. Lyons believes that Quick & Reilly, which traditionally sells at a premium to the industry, is an attractive long-term buy at 13 times 1988 earnings. The average multiple in the sector is

Michael Blumstein of First Boston believes that an industrywide drop in commission revenues will be less severe at the discount brokers than at the full-service firms. Still, he recommends Quick & Reilly only as a "hold."

"Newspaper accounts about disgruntled investors who couldn't get their orders through to retail brokers in October were given too much importance," he says. "At Schwab, for example, about 10 percent of the customers generate 80 percent of the business. A variety of [toll-free] oumbers are used and it was only the inconsequential stock investor with a low priority number who got the busy signal."

Most analysts agree that Quick & Reilly is more attractive than Schwab. Perrin Long of Lipper Analytical Services observes, "Everything at Quick & Reilly is tied to profit. If revenue drops, compensation, paid largely in the form of bonuses, drops." Data-processing costs, which are contracted out, will also go down in a closu preside. also go down in a slow period.

At Schwab, which went public last September, salaries are often fixed and cost of computer equipment and staff remains the same during both business booms and contractions.



The Global Newspaper.

### for retailers like Merrill Lynch, Paine Webber and Shearson," he says, "you no-The Promise and Peril of Spinoffs

By John Boland

HEN A corporate COME We management decides that a subsidiary no longer fits a great into is grand design for the future, one solution is to spin off the unit SECTV to the company's shareholders. For the company, one advantage of suc a transaction is that unlike an outgint sale, it would probably not be subject to federal income taxes. But a spinoff can be perplexing for investors.

"Ya have to look at each sinuation, says Jay R. Harris, a general partie at Goldsmith & Harris, an investment research firm in New York Adds Charles W. Nen-hause, an analyst with Bear Sleam & Co., "The kinds of busi-nessesthat get spun off are not those hat have a great stoxy to grab byestors' attention." Neertheless, some investors

believ spinoffs may be bargains in the irst days after their shares begin rading. Often, the issues have a following among brokers or analysis, Mr. Neuhauser says, and selies may dominate the early trading in lae 1986, for example, the

in me 1980, for example, the Singer of focusing on its electromics of military systems businesses, spin off its sewing machine operations as a dividend to holders it its stock. The shares of the new unit, the SSMC Corp., quicklyplunged from the midteens to 11.50, about 40 percent

of booksalue.
"Peoje who had owned Singer as an aospace and defense com-pany din't want anything to do with thisewing machine compa-ny," say Linell McCurry, an ana-lyst wiiButcher & Singer in Pinl-adelphi: Within a year, however,

Singli diamonds at wholesale pricesy ordering direct from Ant-werp, he world's most important cut-dinend market. Give diamondio the ones you love, buy for investent, for your emoyment.

> Jachim Goldenstein dimentexport BVBA

an be wrong louders, it is a wrong louders, it is the crash of the cra Edublished 1925
Publishers 62, B-2018 Autwerp.
Baltim - Tel.: (32.5) 234.07.51
Telesc 71.779 syl b.
"Selas: 32.3/231.38.87

Few deals 7 HEN A corporate come with

SSMC's stock climbed to a high of

Still, many investors are wary. "Managers will spin off compa-nies that they know will have major problems in the future," says Roderick MacIver, who publishes the Contration Research report He cited Fuqua Industries' 1980 spinoff of Interstate Motor Freight, which filed for bankrupt-

Corp. distributed to shareholders last summer. The shares, which rose as high as \$20 in August and fell as low as \$7.125 in the October market panic, were trading around \$9 last week.

The price is apparently propped up by the company's offer to swap \$10 worth of bonds per share for up to three million shares. If the stock falls near its low after the swap, Mr. Neuhauser will be wait-ing. He believes the maker of electronic components could earn 75 cents a share this year, "and the stock should trade at \$12."

Goldsmith & Harris has recommended that clients buy Borden Chemical, a master limited part-nership that was spun off from Borden Inc. in November. That deal was more of an initial offering than a spinoff, because the partnership units were not distributed free to Borden shareholders. In-Some recent spinoffs have received low ratings from investors.

One of them is Sprague Technologies, which the Penn Central

The terms of the partnership appeal to Goldsmith & Harris. Payouts of at least \$1.20 a year are guaranteed by the parent compa-ny for the first five years. The 1988 distribution could approach \$2 a unit, says Philip W. Goldsmith, the other partner in the investment firm. The units traded last week at around \$12.

Stock sales of subsidiaries pose many of the same risks for inves-tors as other underwritings. A key concern is that underwriters may price a deal as high as the traffic will bear, perhaps higher than the fundamentals or the market will

Even before the market collapse, initial buyers of such 1987 spinoffs as Amax Gold Inc., formerly with Amax Inc., and the FMC Gold Co., spunoff by the FMC Gold Co., spinol by the FMC Corp., were barely even. And the TIX Companies, a group of retailers spun off by the Zayre Corp., had lost 20 percent of its initial price.

© 1987 The New York Times

# **AMERICA**

TOWARDS RENEWED GROWTH

London, February 11-12, 1988

The second international conference co-sponsored by the International Herald Tribune and the Inter-American Development Bank.

Our second major international conference on Latin America brings together an outstanding group of speakers from Latin America, Europe and the United States to review major new developments in the region and look for news ways forward.

As places at the conference are strictly limited, we recommend that senior executives from the banking and business community interested in attending the conference should complete and return the

FEBRUARY 11

NEW INITIATIVES IN MULTILATERAL LENDING Antonio Ortiz-Mena, President, Inter-American Development Bank. SPECIAL ADDRESS

Speaker to be announced.

BREAKING THE DEBT CIRCLE: WHY LATIN AMERICA NEEDS MORE THAN CURRENT DAMAGELIMITATION MEASURES

Belisario Betancur, former President, Colombia Sir Jeremy Morse, Chairman, Lloyds Bank PLC, London FROM DEBT TO NEW FOREIGN INVESTMENT

\*Mauricio Garcia-Araujo, President, Central Bank of Venezuela.

DISCUSSION ON MORNING SESSIONS Luncheon

THEURUGUAY ROUND AND THE CHALLENGE FOR NORTH/SOUTH COMMERCIAL RELATIONS Artifus Dunkel, Secretary General, GATT, Geneva. Enrique Iglesias, Foreign Minister, Uruguay.

THERESTORATION OF TRADE AND FINANCE FLOWS

"Giuliano Amato, Treasury Minister, Italy.

Nicolás Ardito-Barletta, former President, Panama.

Pedro-Pablo Kuczynski, President, First Boston

DISCUSSION Cocktails

HOW THE COMMERCIAL BANKS SEE NEW DEBT William Rhodes, Chairman, Restructuring Committee,

Citibank, N.A., New York. Franz Lutolf, General Manager, Swiss Bank Corporation. Richard Marin, Senior Vice-President, Bankers Trust Company

OPENINGS TO FOREIGN INVESTMENT
MEXICO: Gustavo Petricioli, Finance Minister
ECUADOR: Riodrigo Espinosa, Finance Minister
COSTA RICA: Fernando Naranjo, Finance Minister
DISCUSSIONS ON MORNING SESSIONS

Luncheon MULTINATIONAL COMPANIES' INVESTMENT PERSPECTIVES IN LATIN AMERICA:

Jean-Jacques Faust, Délégué Général au Brésil et an Argentine, Compagnie de Saint-Gobain, Rio de Janeiro. **Gerrit Jeelof,** Vice Chairman, Philips Industries, Endhoven. CHANGING APPROACHES — BRAZIL'S PRIVATIZATION PROGRAM

Speaker to be announced.
PERU'S NEW FINANCING SCHEMES Guillermo Larco-Cox, Prime Minister, Peru. DISCUSSION Closing Remarks

The fee is £525 plus 15% VAT for all

participants. Fees are payable in advance and will be returned less £50 for any cancellation

63 Long Acre, London WC2E9, Hor telephone (44-1) 379-4302 or telex 262009.



postmarked on or before January 27.
Please return registration form to International Herald Tribune, Conference Office,

INTER-AMBRICAN

"Invite	d/Subject to confirmation	
Telephone (44-1) 499 6321 Tele participants at preferential rates	the Park Lane Hotel, Piccadilly, London Wh ex 21533. A block of rooms has been reser . Please contact the hotel directly.	ved for conference
CONFERENCE REGISTRATI February 11 and 12.	ON FORM: Please enroll the following part  Check enclosed D Ple	icipant for the conference ese invoice.
SURNAME		
RRSTNAME		
POSITION		
COMPANY		
ADDRESS		
CITY/COUNTRY		
TELEPHONE		<u>11-1-88</u>

HAMONDS

THE BENEFITS OF A YUR BEST BUY PROFESSIONALLY MANAGED PORTFOLIO The RBC Portiolio Management Plan gives the international investor highly professional portiolio management. The high performing RBC Offshore

Name

We airmail for free price list or call us:

athe Dismond Chib Bldg.

Gold Model

When investment and Currency Markets are volatile, investors should ensure that their investments are receiving professional management. RBC Offshore Fund Managers put their investment expertise at your disposal for as little as US \$25,000. 參写 RBC Offshore Fund Managers Limited

Currency Fund and RBC builton certificates gives the plan the ability to, if necessary, protect the capital growth.

Management fee at a modest 2% No extra charges when your investments are switched between the RBC funds. No penalty if you leave the Plan.

You have the offshore investment skill and resources of the Royal Bank of Canada behind you. Not available to citizens or residents in the USA or investors resident in Canada.

The use of the RBC International

Royal Bank House, PO Box 48, St Peter Port, Guerrsey, Channel Islands, Telephone: 0481 23021, Teleo: 4191527

The latest RBC Fund Prices are available 24 hours a day on 0481 710598 Please send me complete information on the RBC Offshore Fund Portfolio Menagement Plan.

RBCOffshore Fund Managers Limited PO Box 48, Guernsey, Channel Islands Tel: 0481 23021, Taier: 4191527 MYSTMENT OFFSHORE?

HTIPMP11188 T'S AS LASY AS THE

# Spotlight Falls on Futures Funds

By Elena Bowes

New York FTER THE great stock market crash of October 1987 struck, investors counted themselves lucky if they emerged with only slight losses. By that measure, Paul Tudor Jones, a 33-year-old with a touch of Tennessee drawl and a deft hand at trading in the futures markets, would have to be considered wildly fortunate. While stock markets crumbled in October, Mr. Jones's commodities fund accounts soared 60 percent, after fees and ex-

Indeed, the Tudor Futures Fund managed by Mr. Jones's firm was up almost 200 percent near the end of 1987, a feat he attributes to the "flexible egos" of its traders. "They are paid to be objective," he says.

Whatever the reason, the Tudor fund's gains are the kind of performance that has put publicly traded commodities fuods. long regarded as among the riskiest of investments, back in the spotlight. Says Ken Tropin, a Dean Witter Reynolds Inc. vice president who is chairman of the Managed Futures Trade Association: "The numbers speak for them-

Morton Baratz, editor of Managed Account Reports, which tracks commodities funds, estimates that the average public fund gained 20 percent to 25 percent in 1987. Jay Klopfenstein, president of Norwood Securius Inc., a Chicago firm that monitors funds and manages and provided the second security. ages the Norwood Hyacinth Fund. counts 76 vinners and 13 losers in the first 11 months of 1987. Of the winners, 54 posted gains of at least 15 percent, while 32 funds passed the 30

percent mark Public commodity funds are typically struc-tured as limited partnerships divided into \$1,000 units, with the minimum investment usually about \$5,000. The general partner oversees the raising of money and the administration, while the actual huying or selling of futures contracts and commodity options is

handled by the trading adviser.

The funds deal in a wide range of futures and options contracts, ranging from traditional agricultural products, such as soybeans, to financial instruments, such as Treasury bonds and stock indexes. With the October stock market debacle still fresh in investors' minds, the funds have been stressing their ability to make money in both rising and and falling

Many managers scored big in October and November by taking futures positions that allowed them to profit from the decline in stocks and the simultaneous climb in foreign currencies. During 1985, when the price of oil plummeted from \$27 a barrel to \$12 a harrel, public commodity funds experienced one of their best-performing years.

Mr. Jones, having profited handsomely from taking a negative view on stock index futures, is now "rampantly bullish" on shortterm U.S. Treasury bonds. His huoch is that the U.S. economy is more likely to be huffeted by deflation than inflation, and he sees recession looming. Christopher Funk, an adviser to several

funds, including Thompson Financial Futures Funds 1 and 2, believes the dismal performance of the equity market will drive more investors into commodity funds. "People need



Paul Tudor Jones: 'Rampantly bullish' on Treasury bonds.

The Leaders	
Top performing lunds tracked by Norwood Securities Jan 1-Nov 30	0
Tudor Futures Fund	+195.3%
Palo Alio Futures Fund	+116.7%
McCormick Comm. Fund II	+108.9%
McCormick Comm Fund I	+102.1%
Boston Futures Fund III	+83.0%
Matternom Commodity Partners	+67.6%
Matterhorn Commodity Partners II	+66.6%
Commodity Trend Timing Fund	+65.5%
Commodity Trend Timing Fund II	+61.3%
Chancellor Fin. Fut. Fund	+59.8%

to look, see what happened in October, and open up their eyes." he says. "Cycles run both ways and people tend to forget that in multiyear bull markets."

Despite their racy image, commodities funds can play a useful role in a traditional portfolio, argues Scott Irwin, an economist at Ohio State University who has studied them. These funds tend to thrive in periods of economic uncertainty, while "the stock market hates it," he says. With commodities funds, "you are hedging against uncertainty," he

As always, selecting fund advisers with consistent track records is the key. Gilbert S. Meem, an investment adviser at Dean Witter Reynolds, would not consider any firm with less than a four-year track record; ideally, he would like to see 10 years of experience. Beware of the fund touting the "hottest, latest" managers, cautions Keith Campbell of

Campbell & Co. in Baltimore. Mr. Irwin recommends investing in a portfolio of three or four different funds. Commodities funds perform too erratically to tely on any single fund, he says, it is also a good idea not to concentrate on funds that have the

same trading approach, he says. Generally, commodities fund managers fall into two camps, technical system traders and discretionary traders. Technical system traders rely on mechanistic models to discern trends and signal trading opportunities. Generally, they follow several markets at once and

take comparatively small positions in each. Discretionary traders, such as Mr. Tudor's firm, rely more on individual judgments rather than any single research tool or trading methodology. They often take large positions in a few markets where they see pricing trends emerge. Conventional wisdom in the industry says discretionary traders frequently predict trends and technical traders follow them.

Mr. Tropin feels that technical system traders are more consistent in their results, while discretionary traders tend to show up at the top of lists of best performers, but not neces-sarily consisteotly. As Colin Barrows of Mint Ltd., a well-regarded fund management firm that specializes in technical systems trading. says: "There is always a fund which performs better than we do, but it is always a different

Some investment advisers recommend putting from 10 percent to 20 percent of a typical portfolio in commodities funds. But a riskaverse investor could invest as little as 3 percent to 6 perceot of the portfolio in commodity funds and still have an effective hedge, figures Mr. Irwin.

If within three to five years the investment has failed to return at least 20 percent annually, then both Mr. Baratz and Mr. Klopfensteio would advise selling. Mr. Meem is a hit more lenient; his threshold over three years runs between 12 percent to 18 percent.

Mr. Meem adds that now is prohably oot a good time to invest. "Keep your powder dry." he advises. He would wait until the futures markets calm down a bit.

### Second Looks at Gold Stocks

FTER RISING strongly in the first three quarters of 1987, gold shares went ioto a tailspin with the rest of market in October. But many of these shares have managed respectable recoveries from their autumn lows despite languishing gold prices. North American gold producers such as Echo Bay, American Barrick, Pegasus and Battle Mountain have risen between 12 percent to 20 percent since October.

By the end of December, the S&P gold-mining index reflected an impressive performance for the year, up 58.2 percent. lo comparison, gold prices rose 20.1 percent while the S&P 500 gained a mere 2 percent for the year. The Torooto Stock Exchange Gold and Silver Index, a universe of 32 stocks. gained 41.9 percent in 1987 and the Australian Gold Mining Index of 15 stocks rose about 20.4 per-

Only South Africa, troubled by political tension and strikes at some of its mines, failed to snap hack. The Johannesburg Stock Exchange Gold Index, tracking 17 stocks that account for about 85 percent of the country's market, closed the year 11.9 percent below its Jan. 1 level.

Followers of precious metals acknowledge that gold shares hardly seem cheap compared with other stock market sectors. Yet, some fund managers and mining analysis believe investors can still find reasonable value in selected companies with strong fundamentals.

"All the worries about rising inflation and the world's financial problems that justified owning gold before the crash still exist today, says Daniel Roling, semior mining analyst at Merrill Lynch Capital Markets. For an investment hedge, he currently recom-mends Amax Gold, Heela Mining and Homestake Mining, all North American producers.

A strong "buy" recommenda-tion on a number of gold stocks has just been reaffirmed by Drexel Burhnam Lambert's gold analyst. Lucille Palermo. She believes the metal is likely to make another run at \$500 an ounce within the oext six to nine months.

Her opinion in based in part oo the forecast of Drexel's economist. Richard Hoey, who is looking for a 5.5 percent to 6 percent annual rate of inflation by the end of this year and 8 percent by late 1989. which would have a significant impact on the price of gold.

Inflation expectations aside.

Barrick, Echo Bay and Pegasus.

"Even if gold does not increase

Total Return for 12 Months

of 50 percent or better," Ms. Palermo figures. "The returns on equity are 20 percent and better."

She says the companies are increasing their output steadily and could grow at a rate of 20 percent to 30 percent even if gold prices are unchanged.

were to stumble or the economy muddles through companies like this would stand ont," the Drexel

view. Miltoo Berg, manager of the Minerals Fund, has been selling gold shares. He sees gold companies trading at price-carnings multiples of 30 to 40 times their estimated 1988 earnings, which in his opinioo is grossly overvalued.

50 between gold shares and indus-trial-metal shares, such as copper, significantly, these companies chromium nickel, aluminum and market that can have liquidity bave operating costs below current steel. "Gold shares are not a problems when the market deprices, allowing for gross margins screaming buy at current levels,"

cheaper and I need to see strong evidence of inflation before I'll

Short-term investors looking for I think that even if the market

December Market Scoreboard

New York Stock Exchange:

American Stock Exchange:

PACO Pharmaceutical

Computervision Corp.

High Voltage Engineer

A.H. Robins Co. Inc.

Computer Factory Inc.

Facet Enterprises Inc.

Pueblo International

Uno Restaurant Corp.

Gundle Environmental Bush Industries Cl. A.

Over the Counter:

United Savings Bank East Weymouth Savings

Micron Technology Inc.

London Stock Exchange:

Compiled by Morgan Stanley Capital In

Wherehouse Entint.

Wickes Cos. Inc.

Ducommun Inc.

Seaboard S&L

Patlex Corp.

Tricentrol Freemans

Blue Circle

Dee Corp.

**BBA Group** 

Oxford instruments

Royal Bank of Scotland

Tokyo Stock Exchange:

Compiled by Morgan Stanley Capital Inte

George Wimpey

Hirose Electric Aida Engineering Koyo Saiko

Tokyo Rope Mig.

**Oaishowa** Paper

Stanly Electric

Yokogawa Electric

Tanabe Seiyaku Nippon Mental Industry

Recognition Equipment

**Environmental Systems** 

Compiled by Media General Financial Services. Price

Percent Price

Change Dec. 31

11.50

13.50

20.50 15.00

11.00

19.88

23.13

11.50

11.38 15.88

18.00

13.50

14.00 18.00

16.50

15.50

6.750 4,900 989 870 910

1,390 2,300 640 1,450 1,010

83 79

Oneok Inc

United Inns Inc.

Standerd Brands Pt

Montedison ADR

Pay 'n Pack Stores

Chemical NY Corp.

Manufacturers Han.

Grumman Corp.

Santa Fe Energy

Resorts Int'l Inc.

Aircoa Hotel

Crowley Milner

Tejon Ranch

Amer. Income Props

Home Owners Fed. S&L.

Banknorth Group Inc.

Badger Paper Mills

Seaman Furniture Co.

Northern Engineering

Scottish and Newcas

General Electric

**Burton Group** 

Rentokil Group

Japan Air Lines Yamaichi Securites

**Onoda Cement** 

Mitsubishi Trust

**Daiwa Securites** 

Nikko Securites

Kajima MitsubishiEstate

Nippon Kokan

All Nippon Airways

Thorn-EMI

Wellcome

Central Hudson G&E

view, he says. analyst argues. Others take a more cautious

Oppenheimer Gold and Special Mr. Berg's fund is weighted 50-

he says. "The stocks have to get change my mind,"

bargains, adds Arch Spencer, manager of IDS Precious Metals fund, may have missed the boat. But buying opportunities still exist for investors with a long-term

Mr. Spencer is waiting for some indication that gold prices will pass \$500 and would only buy these shares if they decline some. He is keeping an eye on Australian gold producers Western Mining, Metana Mining and Niu Gini

Their shares were hit the hardest during the crash, and haven't yet come back," he says. He warns, however, that investing in the Australian market can be risky because it is a thinner, volatile

These are some of the reasons why Hugh Twiss, investment manager of Save and Prosper's Gold Fund, has the majority of his fund invested in U.S. and Canadian mining companies such as Net mont Gold, Amax Gold, International Corona, Royax and Ameri-

Percent Price

Dec. 31

18.75

18.25

15.88

10.13

12.50 17.25 21.38 21.50

17.25

14.50

13.13 15.00 11.38 21.25 23.38

12.75

23.75

17.25 15.75

506 - 96

208

368

220

590 2:500

1,500

1,300 1,320

1,520

266 1,620

hour c

Change

-20

-20

-18

-18 -17

-17 -

-17.

-16

-43 -23 -17

-13

-25 -25

-25 -24 -22 -22

-22

-21

-21 -21

-19

-19

can Barnck. "At the end of the day, the bulk of money that will move the markets will be in North America," he says. His fund has limited exposure to Australian firms and he avoids South African mining companies because of the political

Mr. Twiss advises investors who are bullish on gold to but now rather than wait for shaes to move a bit lower. In the golf sector, he says, "there are more potential investors than there are

If you try to be too dever, tunity," he says.

Cynthia Catrison

Mary Mary and

[State : 12 .. \*\*\*\* The state of the second

227 2 en Te Sire 3

Last V

# Ms. Palermo is optimistic about the growth potential of three North American firms: American Barrick, Echo Bay and Pegasus. "Even if gold does not increase

#### Strike it rich in Canada's Favorite Lottery. You pick your own numbers playing Lotto 6/49

That's right ... you can win millions by picking your own numbers playing Lotto 6/49—Canada's most popular Government Lottery. In fact, last year Lotto 6/49 paid out \$354,736,589,00 in ALL CASH PRIZES. And it's all free of Canadian taxes. There are two draws each week for a grand prize guaranteed to be not less than \$1.000.000.00 with many millions more in secondary prizes. Grand prizes often run into the millions and have been as high as \$13,890,588.80. Imagine what you could do with that much cash! This is your opportunity to find out because now you can play the lottery that's making so many millionaires in Canada.

#### WHAT IS LOTTO 6/49?

Lotto 6/49 is the official Canadian version of Lotto—the world's most popular form of lottery. it's the lottery in which you pick your own numbers and it's called "649" because you select any 6 of 49 possible numbers from 1 to 49. Your numbers are entered in the Lotto 6/49 computer system and If they match the six winning numbers chosen in the draw-you win the grand prize. Or if you have only 3, 4 or 5 numbers correct you win one of thousands of secondary prizes available.

#### HOW CAN! PLAY?

Complete the attached order form and send it to Canadian Overseas Marketing along with the necessary payment. We will enter your numbers for the specified length of your subscription. You may select from 1 to 6 games for 10, 26, or 52 weeks. Each game gives you another chance at the grand prize for every draw in which you are entered. You receive a "Confirmation of Entry" by return meil acknowledging your order and indicating the numbers you have selected as well as the draws in which they are entered.

#### HOW DO I KNOW WHEN I WIN?

You will be notified immediately when you win a prize of \$1,000.00 or more. Also, a complete list of all winning numbers will be sent to you after every tenth draw so that you can check along the way to see how you are doing. At the expiration of your subscription you will be aent a final statement of your winnings. All prize money will be converted to any currency you wish and confidentially forwarded to you anywhere in the world. So mall your order today-the next big winner could be you.

#### PRIZE BREAKDOWN (Actual Sample of One Draw

PRIZES	PRIZES	PRIZE VALUE
1ST PRIZE	1	\$13,890,588,80
2ND PRIZE	10	\$443,451.50
SOUTOF S	716	\$3,704.70
4TH PRIZE	48,917	\$139.30
STH PRIZE	965,112	\$10.00
TOTAL PRIZES	TOTA	L PREZE VALUE

1,014,758 ted in Caradian dollars fet. 2nd, 3rd, and 4th prizes are executated on a percentage the total prize pool. Since the prize pool fluctuates from the to draw, the size of the prizes will vary from the size of the

Canadian Overseas Marketing † P.O. Box 48120, Suite 1703-595 Burrard St. Vancouver, B.C., Canada V7X 1S4 Telex: 04-507822

#### † Canadian Oversess Marketing is a private company. The prices quoted herein include handling and mailing cost ORDER TODAY! CANADIAN OVERSEAS MARKETING ORDER FORM Mark six numbers on each game board

PICK YOUR PLAN — Check only one box below next to the option of your choice. ALL PRICES IN U.S. PUNDS

FREE	BONUS >	MCLUDES 2 DRAWS FREE	INCLUDES 4 DRAWS FREE
	10 WEEKS (20 Draws)		52 WEEKS (104 Draws)
1 Game	☐ <b>\$</b> 45.	□ \$112.	□ <b>\$ 225</b> .
2 Games	□ \$ 90.	□ \$225.	☐ \$ 450.
3 Games	□ \$135.	S337.	□ \$ 675.
4 Games	<b>□ \$180</b> .	□ \$450.	□ \$ 900.
5 Games	□ \$225.	☐ <b>\$562</b> .	☐ \$1125.
	S270. WHERE LEGAL ABLE TO RESIDE		□ \$1350.

1	10	20	30	40	2	ı	0 2	0 3	0	10	3	10	20	30	40	U	4	0 z	20	30	40		ľ	o	20	30	40		6	10	20	30	40
1	11	21	31	41	1	1	1 2	1 3	1	11	1	11	21	31	41	1	ili	1	21	31	41	1	1	1	21	31	41		1	11	21	31	41
2	12	22	32	42	2	1	22	23	2	12	2	12	22	32	42	1	2 1	2	2	32	42	1	1	2	22	32	42	1	2	12	22	32	42
3	13	23	33	43	3	1	32	33	34	13	3	13	23	33	43		3 1	3	23	33	43		1	3	23	33	43		3	13	23	33	43
4	14	24	34	44	4	1	42	43	4	4	4	14	24	34	44		4 1	4	24	34	44	. 4	1	4	24	34	44		4	14	24	34	44
5	15	25	35	45	5	1	52	5 3	5	15	5	15	25	35	45		5 1	5	25	35	45		ı	5	25	35	45		5	15	25	35	45
6	16	26	36	46	6	1	62	63	6	16	6	16	26	36	45		6	62	26	36	46	1	i	6	26	36	46		6	16	26	36	46
7	17	27	37	47	7	1	7 2	7 3	7/	17	7	17	27	37	47		7 1	7 2	7	37	47	7	1	7	27	37	47		7	17	27	37	47
В	18	z	39	48	8	h	Į2	rio.	ek	6	8	18	26	ē	40	1	B	8	34	3	46	1	h	8	ž	35	4	U	В	18	18	8	供
9	19	29	39	49	9	7	92	93	9	19	9	19	29	39	49		9 1	9	9	39	49	1	1	9	29	39	49		9	19	29	39	49

Make Cheque or Bank Draft (in U.S. Funds) payable to: Canadian Oversess Marketing

NAME	TELEPHONE AND AREA CODE
ADDRESS/P.O. BOX	<del></del>
CITY	
☐ Cheque ☐ Bank Draft ☐ CREDIT CARD NUMBER	OATE DATE

### **Value Line** INTRODUCTORY TRIAL only \$95

if no member of your household has subscribed to Value Line in the past two years, you can now receive full-page analyses of about 130 American stocks each week for the next 12 weeks for \$95. As a double bonus at no additional charge, you will also receive the 2000-page Investors Reference Service toovering 1700 American stocks) and the 72-page booklet, "A Subscriber's Guide" which explains how even inexperienced investors can apply thousands of bours of professional research to their own portfolios by focusing on only two unequivocal ratings, one for Timeliness (Performance in next 1.2 months), the other for Safety.

We make this special offer because we have found that a high percentage of those who try Value Line for a short period stay with it on a long-term basis. The increased circulation en-ables us to provide this service for far less than would have to be charged our long-term subscribers were their number smaller. Send payment along with name and address together with this ad to: Dept. 613JU

#### The Value Line Investment Survey Value Line, Inc., 711 Third Ave., New York, N.Y. 10017

U.S.A.
Payment in total currencies (British £60, French fr575, Swiss fet 45, DM 175) and requests for information should be directed to ; Value Line, All: Alexandre de Saint-Phalle, 2 Ave. de Villars, 75007 Paris.

Cld. 45.51.63.59) Distributed by KLM Royal Dutch Airlines Publication Distributed Service Holland, Allow 4 weeks for delivery

#### TO OUR READERS IN HOLLAND The International Herald

Tribune is now on newsstands throughout Holland even morning six days a week Monday-Saturday If you have problems. getting your copy, please contact: Edipress International B.V. Wilhelminastraat 13rd 2011 VH Haarlem P.O. Box 363 2000 AJ Haarlem Tel.: (023) 32 23 41/Tx: 4183

### Herald Eribune. BUSINESS/FINANCE

TO COMPUTER EQUIPMENT TOSHIBA

**New View** 

Of Oil

**Demand** 

Is Consumed as

Agency Says More

#### **EUROBONDS**

NDAY: JANUARY 11, 1988

### Shower of New-Year Issues Doesn't Dispel the Clouds

By CARL GEWIRTZ

ARIS - For the opening week of a year clouded by a more than normal share of economic worries, the Eurobond market managed a surprisingly robust volume of 17 issues — making it easily the most active first week in the sist five years. Last year started with only 10 issues, and finished leady. The annual value of oew issues fell 25 percent in 1987 to will billion, the first decline since 1983.

Bankers caution, however, that it would be exceedingly ambi-us to read into last week's figures any suggestion of what the t of this year might look like. Issuing activity since midber has been exceedingly light. And given the long dry iod over the year-end holi-

Because investors

say that new issues

have to be priced

generously.

are tentative, bankers

s, there was a backed-up. od for money by issuers a pocket of demand for w paper from investors. The issuers, bankers say,

re drawn to the market bese interest-rate alignments ade it profitable to arrange waps. The bulk of the activity as in European currency

airs and Canadian dollars. But by the end of the week, the three CU and four Canadian dollar issues appeared to have absorbed Il the demand there was.

It the demand there was.

With investors taking a tentative attitude, bankers say that new issues have to be priced generously and tailored to appeal to fivestors. Thus, competitors gave Deutsche Bank high marks for faranging Austria's I billion DM bond. Size is currently in vogue a big issue gives investors the comfort that trading will always be liquid. The Austrian issue was the largest single DM Eurobond over floated.

The 10-year maturity was a bit longer than investors prefer, but the terms were appealing: a compon of 6½ percent offered at 400½. At the selling concession of 1½ points, institutional investors could pick up the paper at a yield equal to the recent government issue bearing a compon of 6½ percent.

Foreign investors, anticipating the imposition of a withholding lax on domestic interest income next year, prefer sovereign Europaper to domestic issues. This explains why coupons on paros are lower than on domestic issues.

erros are lower than on domestic issues.

Y CONTRAST, Union Bank of Switzerland was criticized for the handling of the 75 million Canadian dollar issue for Household Finance, offered to yield 96 basis points over the yield on comparably dated Canadian government paper.

The paper ended the week at a discount of 1% points. But this

was an artificial price, maintained by the small seven-bank syndicate and aimed at penalizing traders who had dumped paper at a discount of 2% points thinking there would be plenty if supply to cover the short sales.

UBS also set a low spread of 15 basis points over gilts on

Toyota Motor's £75 million of five-year notes, which were offered at 101 with a coupon of 91. It ended the week down 3 points, but the spread, UBS officials said, was held constant as the price of gilts had declined. Competitors say that trying to squeeze the fightest possible terms on new issues is an unwise policy at a time hen investors are reluctant to commit funds. Morgan Stanley scored a hit last week, offering on behalf of

Nordic Investment Bank 1.5 million currency warrants to buy dollars at a fixed rate of 1.635 DM. Before falling back to that level, the exchange rate hit a midweek high of 1.6680 DM and the warrants were a sellout — largely to German investors who have no domestic options market to hedge themselves in. The exchange rate has to rise to 1.76 DM to cover the 12% DM

the week at 13% DM.

X Most Actives

THE TANK OF THE PARTY OF THE PA

AMEX Sales

AMEX Diories

8, 4000 Disselbirit 8263122 8263741

Duchesse Chariotte

The only dollar issues were two equity-linked issues from Japanese companies, Hokkai Can and Joshin Tearly. They were both well received and traded at premiums, given the buoyancy

of Tokyo stock prices.

In addition, the market saw \$250 million of floating rate notes from the State Bank of New South Wales. This was the first dollar floater in some time not synthetically created by repackaging deep discounted straight bonds. The coupon was a realistic 3/16-point over the London interbank offered rate. Front-end fees lift

the effective yield to 24% basis points over Libor, not far from the 4-point spread that was once standard.

While there was good demand for the notes, bankers said not many issuers would be prepared to pay that much for money when cheaper sources are available through swapping fixed-rate

The issue carries an initial maturity of 10 years; but at each fifth year holders are invited to extend for an additional five years. The State Bank has the option of raising the margin to entice holders to extend, but the margin can never be lowered.

### All figures are as of close of trading Friday

	Stock Indexes	Money Bates	
	United States Jon. 8 Dec.31. Chipe		Dec. 31
	DU inches 7 1,911.30 1,938.83 -1.42%		6
	D1 USC 2:" 181.72 (75.06 + 3.79 %	Federal funds rate. 6 13/76	7
d	DJ Trons 745.00 748.86 -0.52 %	Prime rate	874
₹	S.S.P 100 233.89 238.26 1.83 %	Japan	
	S.P. P 500 243.40 247.08 -1.49 %	Discount 246	23/2
•	S.B. P Ind - 280.51 285.96 -1.73%		4
	NYSE CD : . 137.03 138.23 0.87%	3-month Interbank 3%	37h
	Brillia		370
	PTSE 100 1,773.40 1,712.70 + 3.54 %	West Germany	
		Lombard 4/2	41/2
		. Call money 3.15	3
	Japan	3-month Interbank 31/2	3.60
	Nikkei 225 22.872.66 21,564.00 + 6.07 %		
	West Cormany	Settato.	
		Bonk base rate 9	
		Call money 81/2	87%
-	Heng Kone	2 month faterhook Olf	8 25/64
	Hong Sens 2460.67 230275 + 6.86 %		
	World	Gold Jon. 8 Dec. 3	i Ckipe
	440 Table 410 Table 410 CO CO	London p.m. fix.\$ 483.90 486.50	-0.54%
	World Index From Morgon Stanley Capital Inf	1.	

### **Currency Rates**

Barnesterdam   1845   1257   1734   8272   8272   8272   1273	Cross B	ates			23		11 /	:	- 1	lan.8
Americanic   1,865   1,87   1,942   8,3328   1,929   1,970			2	D.M.	F.F.	HL	Cid	B.F.	S.F.	Yes
Contract	A hardendom	-1.8545	1367							
Frenkhert							18.42	: ===		
London (b),   1806   2,9813   180728   2,1918   1283   62.03   2.44   223.195						0.236.0		£770 -		
1215.10			. 2500	- 0.04370						
150   150			. —			TIAIŽO.				
Peris   \$577   \$10025   \$1376   — \$4574   \$1000   \$1614   \$4127   \$431   Tokro   \$19.55   \$23.44   \$74.02   \$2120   \$1000   \$43.3   \$13.03   \$43.1   Turich   \$15.55   \$2.690   \$1078   \$0.2071   \$1111   \$17.27   \$1205   \$1.1073   \$43.1   TECH   \$1277   \$2.692   \$2.692   \$2.691   \$1311   \$17.27   \$2.209   \$1.001   \$10.055   TSDR   \$1.2793   \$2.692   \$2.652   \$7.442   \$1.0   \$1.22   \$2.207   \$1.001   \$10.055   TSDR   \$1.2793   \$2.692   \$2.652   \$7.442   \$1.0   \$1.22   \$2.207   \$1.001   \$10.055   TSDR   \$1.2793   \$2.692   \$2.652   \$7.442   \$1.0   \$2.507   \$3.207   \$1.0   TSDR   \$1.2793   \$2.692   \$2.652   \$7.442   \$1.0   \$2.607   \$1.0   TSDR   \$1.2793   \$2.607   \$2.607   \$2.607   \$2.607   TSDR   \$1.2793   \$2.607   \$2.607   \$2.607   \$2.607   TSDR   \$1.2793   \$2.607   \$2.607   \$2.607   \$2.607   TSDR   \$1.607   \$2.607   \$2.607   \$2.607   TSDR   \$1.607   \$2.607   TSDR   \$1.607	14Han	1,215,10								
Parts \$577 \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	New York(c)		1.819 b	14385	55315			34.27	1345	
Tokyo 19.55 20.M 78.02 22.20 0.1066 48.73 13.075 96.11 20.00 12.00 0.1078 0.207 0.1114 0.207 1.000 9 — 1.004 1.000 1.000 1.000 0.1078 0.207 0.1114 0.207 1.000 9 — 1.004 1.000 1.000 1.000 0.10		\$577	. 10:0025	3.378 -	_	0.4514	3.0003	0.1614 -	4,127	431 •
Turich 1355 1409 0f78 0247 01114 0727 1988 — 1946 1201 1247 1478 2478 1508 1 1507 1479 16155 1508 1 1775 1248 2265 17442 N.C. 2547 4727 1479 16155 1508 1 1775 1 2782 2265 7442 N.C. 2547 4727 N.D. 17731 1508 1 1775 1 177					23.20	0.1067	47.73	17475		
1 ECU 1207 LUNA 2M55 LUNA 1.57137 212 12209 LW01 161551 15 DR 1279 C. 1482 22632 7,442 N.Q. 2547 47,339 N.Q. 179,31 Chesings in London, Tokyo and Zurich. Risings in other centers. New York closing rates. a: Commercial franc: b: To buy one pound: c: To buy one dollar? ": Units of 100: K.Q.: not avoid N.A.: not avoid bits.  **Other Bellar Values**  Currency Pers Currency Pers Currency Pers Currency Pers Aryen, gustred: 1,90 Fig., markta: 4,007 Mex. Pers 225,00 S. Afr. road: 1,90 Austral. 3 1,46 Greek Groc. 131,25 M. Zedond 5 1,634 Saviet ruble* 0,5804 Nustra. schill: 11,57 Hens Kong \$ 7,7765 Nils. solro* 4,2708 Spon. Pessta: 11,24										3 8444 =
15DR 1379 C768 2268 73442 N.O. 25407 G73379 N.O. 17931 Closings in Landop, Takya and Zarich, fixings in other centers, New York closing rates. o: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Upits of 100; N.O.; not quoted; N.A.; not available.  Other Bollar Values  Currency Pers Currency Pers Currency Pers Currency Pers Argen, available 1.80 Fig., markta 4.007 Mex. Pesa 255.00 S. Afr. rand 1.972 Austral 8 1.416 Greek Grac. 131.25 H. Zedland 8 1.524 Soviet ruble* 0.5804 Austra.Schil: 11.57 Hone Kong 8 1.7765 Nila, solra* 4.2108 Spon, peseta 112.24	Zurica	داطيا	ZASIY	Thirt is	٠		1.7	122		
150R 1379 0.7682 22632 73442 N.Q. 25407 473379 N.Q. 179.31 Closings in London, Takya and Zirich, fixings in other centers, New York closing rates. o: Commercial france b: To buy one pound: c: To buy one dollar? ": Units of 100: N.Q.: not qualed: N.A.: not available.  Other Bollar Valmes  Currency Per S Carrency Per S Carrency Per S Argen, austrel 2.90 Fig., morthis 4,007 Austral 3 1.165 Giright Grac. 131.25 N.Zediond 5 1.524 Seviel ruble? 0.584 Austra.Schil: 11.57 Hens Korig \$ ,7745 Nile, tolard* 4,2708 Spon, pescia 172.24	PECH -	1207	0.4724	2.8656	6,9741	1,517.87			T.8991	161,954
Chosings in London, Takya and Zarich, fixings in other centers, New York classing rates.  o: Commercial franc; b: To buy one pound; c: To buy one dollar: ": Units of 100; N.O.; not avoid; N.A.; not avoilable.  Other Bollar Values  Currency Pers Currency Pers Currency Pers Currency Pers Argen, ovaited 1.50 Fig., markto; 4.007 Mez. Peso 2250.00 S. Air, road 1.572 Austral. \$ 1.416 Greek droc. 131.25 H. Zedland \$ 1.524 Soviet ruble* 0.5104 Austra. \$ 1.514 Hone Kong \$ 1.7165 Nila, notice* 4.2108 Spon, peseta 112.24				2.2632	7.442	N.Q.	25407	47.3379.	N.Q.	179,31
Currency Per's Currency Per's Currency Per's Argen, control 1.90 Fig. morbid 4.007 Ages, peso 2230.00 S. Afr. road 1.372 Austral 2 7.16 Greek druc 131.25 H. Zeolodd 5 1.524 Sevited rubble* 0.5304 Austra.schil: 11.57 Hens Korig 3 7.7765 Nile noire* 4.2708 Spon. pesete 172.24	Closings in London, Takyn and Zarich. fixings in other centers. New York closing rates.  a: Commercial franc: b: To buy one pound: c: To buy one dollar: *! Units of 100; K.O.: not									
Argen, pustred 3.80 Fig., morkin 4007 Mex. peso 2290,00 S. Air. rand 1,572 Austral S 1,416 Greek Grac. 131.25 N. Zeoland S 1,524 Saviet ruble* 0,5804 Austr., schill. 11.57 Hong Kong S 7,3765 Nilg, stolra* 4,2708 Spon, peseta 172,24	Other De	عجزاد	Value	28		,				· ·.
Austral \$ 7.416 Greek Grac, 137.25 N. Zedland \$ 1.524 Soviel ruble* 0.5804 Austr. schill: 11.57 Hone Kone \$ 7.7765 Nile noire* 4.2708 Spon. pesete 172.24	Currency	Per S								
Austral 5 1.416 Greek Groc. 131.25 N. Zedland 5 1.524 Soviel ruble* 0.5804 Austr. schit. 11.57 Hone Kone 5 7.7765 Nile kolra* 4.2708 Spon. peseta 172.24	Argen, gustraf	3.80	Fig. mc	urkka						
Austr. schil. 11.57 Hong Kong \$ 7.7765 Nig. police* 4.2708 Spon. peseta 172.24					31.25	NL Zealons	15 75	24 - Sev	iei rubie	- 0.5004
AUST-SCHL ILX PROPERTY								ne Soc	m. peselt	a T12.24

Phil. press 2,30/3
Phil. press 20,30/3
Part. escudo 136,57
Saudi rivur 3,7508
Sing. \$ 2,0405
S. Kor. won 785,00 1450.00 0.6193 1.5905 - 0.2748

38-day 58-day 78-day 3.8020 1.8057 1.8038 928.44 128.09 127.45 1.6428 1.6375 1.6320 CONTINENTAL AMERICAN manae: Instruito Rock (Rouccele): Banco Cal

### Panel Blames Megafunds in October's Plunge

### **Giants Seem** To Surpass **Dated Rules**

By James Sterngold New York Times Service
NEW YORK — The idea that
a handful of large financial institutions could bring the financial
system to its knees through their

unrelenting selling of stocks and the financial instruments that set

off the selling is a terrifying pros-**NEWS ANALYSIS** 

peet. But that, in essence, is what the presidential commission on the stock collapse concluded. One of the most provocative and controversial points in the

commission's report is that the plunge was not the product of collective panic by thousands of investors — the kind of irradonal, herd-like impulse commonly believed to be behind this traumatic

Rather, the report said, institutions such as pension funds, banks and endowments were behind the plunge.

It was a stunning point: These professional investors, often re-garded as cool and calculating the basis, after all, of the public's confidence in them — could act collectively, and willingly, in a shockingly destructive fashion.

The October experience illustrates how a relatively few, aggressive, professional market par-ticipants can produce dramatic swings in market prices," the re-port said. It pointed out that oo Oct. 19, five institutions sold the equivalent of \$4.8 billioo in stocks and stock index futures cootracts, while a single mutual fund group sold nearly \$900 million more in

stocks,
It had been reported that the
Fidelity group of mutual funds
sold about that amount of stock on that day,

But there was a more important point to be made. The report cited the sales as evidence that the growing concentration of power in the hands of these huge invest-ment vehicles had surpassed the old framework for regulating the financial markets, which is still geared to the days when individ-uals were the dominant market players. This was the basis of its nendation that the regulatory framework be upgraded in

What the report fundamentally underscored is that these institutions do not act like individuals. Using computers and sophisticated trading strategies, they have

In Futures,

A Sense of



Traders on the floor of the New York Stock Exchange on Friday, when the Dow Jones industrial average plunged by

ent markets at once and operate

The simple conclusion is that

the system grew geometrically with the technological and finan-

cial revolution of the 1980s," the

ernment, industry and academia

failed to understand fully that

these separate marketplaces are in

fact one market."

It has been evident for decades

that power over the financial mar-

kets has been increasingly con-

centrated in the hands of major

institutions, not the thousands of

individual investors who had

dominated the market for years.

in importance as individuals en-

trusted more and more of their

saviogs and wealth to them, in part out of a belief that they were a more reliable shepherd of these

Concern that these buge players were disrupting the market with their investment strategies

arose more than two decades ago.

Congress ordered the Securities

and Exchange Commission to

study the trend, the result of which was a major report in 1971.

One of its conclusions was that

institutional investors do oot "gang up" on the market and act

they did act together, by design or

These institutions have grown

mmission said. "Many in gov-

them simultaneously.

ual can muster.

otherwise, they could stampede the ability to scan several differ-

In effect, the commission arstrategy, the report concluded. gued, there are no longer separate Times, however, have changed with the introduction of new techmarkets in stocks, stock options nologies. That is one of the key or stock index futures, but one determinations of the presidential giant financial market, because of these capabilities that no individcommission's report. Today, it said, these investors do act in tan-

Each institution pursued its own

smaller investors in the market. ilarly moovated investors, such as portfolio insurers, to adopt strategies which call for liquidity far in excess of what the market could

supply," the report said.
In one of the more intriguing observations in the report, the commission said that the mere perception by other large inves-

Nicholas F. Brady, who headed the inquiry on the stock plunge.

but because they subscribe to very tors, known as portfolio insurers.

-similar strategies. strategies were highly refined with computers, they did not take account of the market's absolute inio tandem. The fear was that, if ability to handle this mass action.

dem on occasion, not by design tors that the one group of inves-The remarkable aspect of this spired even more selling, kicking

Many of the nation's largest institutional investors have used

of liquidity which led certain sim- sualty and Leland O'Brien Ru-

It is clearly a problem that the commission had difficulty grap-pling with. One cannot legislate against investors adopting similar investment strategies. Neither, the commission suggested, could government regulate away irrational behavior.

The commission said that the Federal Reserve should perhaps be given responsibility for overseeing and coordinating regulation of the separate parts that make up the overall financial market. But it pointedly did not suggest the creation of a new ageocy, or the merging of existing agencies.

that regulators begin to think about the market the way the maportfolio insurance. Among the jor institutioos that dominate largest are Wells Fargo Invest- trading do: as one interrelated "Ironically, it was this illusion ment Advisers, Actna Life & Ca- system for investing capital.

140.58 points. Once again, computerized program trading in several markets by giant funds was blamed for the volatility.

Thus, the recommendations vere soft, more like broad suggestions than specific points for new regulation and legislation. The commission did not suggest, as some have, that more capital be put behind the system, because oo amount of capital can stop the kind of stampede that was wit-nessed in October. It did not specifically recommend any curbs on computerized stock trading.

It basically sought to insure that the reality of huge institutions that operate across market boundaries be taken into account in the regulatory structure. It did should be overhauled.

## **OPEC Output Falls** Compiled by Our Staff From Dispatches PARIS — The International Energy Agency said Monday that world oil demand was rising faster than previously expected, while OPEC had restrained output somewhat in December. "To put it very simply, there is less oil sloshing about than many

believed there was," an agency analysı, Marcel Kramer, said.

An IEA report predicted that, based oo revised historical data, world demand for oil would be 50.2 million barrels a day in the first three months of 1988, up from a previous estimate of 48.9 million. Forecasts for the period April-

September showed similar rises.
The agency said it had been underestimating oil consumption, particularly in the Third World. The main reason, it said, was that large amounts of oil believed to be in storage or in transit were

actually being consumed. At the same time, the agency estimated that OPEC production fell to 18.3 millioo barrels a day in December from 19 millioo in No-

It said that its oew data indicated that underlying demand for OPEC oil in the first quarter of 1988 would be 20.2 million barrels a day, exceeding OPEC production.

The Paris-based IEA seeks to coordinate energy policies in 21 industrial nations. It was formed in

the 1970s after the rise of OPEC. On Dec. 14, OPEC agreed to an output ceiling of 15.06 million barrels daily. Iraq, which refused to sign the accord, has been produc-

ing 2.5 million barrels a day, according to the energy agency.

An IEA official said that there had so far been oo marked firming of prices, despite market suspicions last month that the ageocy's monthly demand figures would be

revised upward.

OPEC's overproduction has tended to weaken "spot" or free market prices. Typically, North Sea Brent oil was around \$17 a barrel

last week, against OPEC's official \$18 reference price set in the De-The drop in OPEC output in December was mainly caused by a fall in production by the United

Arab Emirates, to 1.5 million bar rels daily from 1.9 million in November, the agency said. Saudi Arabia's output eased to 4.2 million, just below its quota,

00 A

stitu-

zoing chici

e the

rs are ssible

often

best 1 Ste-Asset

call

- 690

and Kuwait's to I.1 million from 1.2 million, still above its quota. The energy agency said that the Third World's share of oil con-

sumption rose from 13 percent in 1973 to more than 20 percent in 1986. Its demand is now estimated at 13.2 million barrels daily in the first three months of 1988, up from earlier estimates of 12.1 million.

The IEA also slightly raised estimates for demand by the 24 nations of the Organization for Economic Cooperation and Development in the first quarter to 37 million barrels daily, from 36.8 million.

#### Congress Unlikely to Act on Brady Proposals The task force recommending the changes was led by Nicholas F. By Nathaniel C. Nash New York Times Service WASHINGTON — The key rec-Brady, a former Republican senator who oow heads the brokerage firm of Dillon, Read & Co.

A Threat

CHICAGO — Leaders of the stock futures industry have attacked regulatory proposals by the Brady commission, arguing that they could devastate business.

Drawing the sharpest criticism was a recommendation that consistent margin requirements be set for the purchase of all financial instru-

"You can margin them out of exis-

moves adversely, the investor must York and Chicago. put up more money to meet margin

recommend that margin require- place. ments for futures and stock purchases be equal, only that they be "comparable."

But the notion that futures and stock margins are comparable "is like saying legs and arms are comparable. They're both limbs, but they don't perform the same functions," said Richard Sandor, one of the original designers of financial futures and a senior vice president at Drexel Burnham Lambert Inc. The purpose of stock market

purchases is transfer of ownership. while the function of futures markets is price discovery, be asserted. Merton Miller, professor of finance and banking at the University of Chicago, said that higher fu-

See REACTION, Page 13

SPLECTED U.S.A.Z.O.T.C. QUOTATIONS Alan Jones Pit Stop 21/2 Bitter Corp. 18% I9 9% 2% 3 MAG Holdings Gold Glory USA Inc. 294 29% WITH COMPLIMENTS OF

ommendations by a presidential commission for reordering the regulation of U.S. financial markets are likely to be tied up in congressional debate and may never be acted on, legislators and regulatory

House, were eagerly awaited by members of Congress who will be under pressure to act, most of the specific proposals are considered ments.

"You can kill these products by overmargining," said Ed Kelly, vice president at Goldman, Sachs & Co.

either politically unrealistic or in conflict with suggested changes under consideration by several key senators and representatives.

The suggestions in the report that the Federal Reserve Board In futures trading, a margin is should become the chief regulator the good-faith deposit an investor of the financial markets, and that must put up when buying a con-tract to buy or sell an instrument or commodity at a particular price at a widespread opposition io Washing-a future date. If the futures price ton and in the markets of New

Critics contend that such actions would constitute excessive govern-The Brady commission did not ment intervention in the market-

The one development that could force Congress to consider immediately adopting some of the commisbility in the stock market. The Dow Jones industrial average dropped 140.58 points on Friday, its thirdbiggest fall on record.

"If Friday was any indication of the continued volatility in the markets, we can expect there to be a further appreciation developed for the need for some changes," said Representative Edward J. Markey, the Massachusetts Democrat who chairs the House subcommittee on telecommunications and finance.

Lloyds Eurofinance N.V. ated in the Netherlo limited Robility) £50,000,000 Guaranteed Sterling/US Dollar Payable Floating Rate Notes due 1990 For the six months January 8, 1988 to July 8, 1988 the Notes will carry

an interest rate of 9.625% p.a.

Coupon Amount of U.S.\$87.14

payable on July 8, 1988 against

Citihank, N.A. (CSSI Dept) London, Agent Bank

Coupon No. 16.

ference with the freedom to trade," reception at the White House, As Mr. Markey said he welcomed

Beyond its analysis of wby the market collapsed in October, the rest of the commission's report suggestion to create a unified sys- ed. particularly four recommendations tem of clearing and settling all seexperts say.

Although the commission's findings, released Friday by the White and futures trading — is likely to about changing the system of federal regulation over stock, options At the same time, Mr. Markey remain on a shelf as an innovaove,

said be felt the idea of placing broad new authority with the Fed but politically unworkable idea. was not the right approach.

Diminishing the chances that
Congress will do anything more No one politician appears to object to all of the commission's suggestions, but most had problems with at least one or two of them.

than hold hearings on the study is the preoccupation of lawmakers For example, Senator William with efforts by Mr. Proxmire to-ward the adoption of new legisla-Proxmire, the Wisconsin Democrat tioo to further deregulate the U.S. who heads the Senate Banking banking industry. Mr. Proximire Committee, welcomed the recomhas proposed to repeal the Glassmendation that the Federal Reserve Board be given authority over Steagall Act, which for more than other agencies to supervise the fi- 50 years has separated commercial banking from investment banking. nancial markets. But Mr. Proxmire

said he was skeptical of the value of imposing price limits on securities blow to the Brady suggestions was trading. "It's too much of an inter-

early as the middle of last week, when the commission first presentthe Brady commission's suggestion ed its conclusions to the administhat uniform requirements be es- tration, the White House began to tablished for all purchases of distance itself from them, stressing stocks, options and futures bought that before acting, it wanted to see on credit. He also welcomed the all the other studies being conduct-

U.S. \$500,000,000

### National Westminster Bank PLC

Primary Capital FRNs (Series "A")

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from January 11, 1988 to July 11, 1988 the Notes will carry an interest Rate of 734% per annum. The interest payable on the relevant interest payment date, July 11, 1988 against Coupon No. 6 will be U.S. \$3,918.06 and U.S. \$391.81 respectively for Notes in denominations of U.S. \$100,000 and U.S. \$10,000.

By: The Chase Manhattan Bank, N.A. London, Agent Bank

### **CNN INTERNATIONAL** A WORLD OF NEW BUSINESS

Businessmen. Government officials. Corporate officers. Professionals travelling for business or pleasure. These are the people your advertising can reach with CNN International.

Because CNN is the world's only 24-hour news network. The one network that reaches the audience you seek. Find out how CNN can make a world of difference to you. Call Sue



Hinds in London 44-1-788-2653. Stephen Marcopoto in Hong Kong 852-5-260-149. Dietrich Ginzel in New York 1-212-692-6930.

Was Inter INTERNATIONAL HERALD TRIBUNE, MONDAY, JANUARY 11, 1988 Page 12 **NASDAO National Market** ## 1.00 \$1 \$2.00 \$1 \$1.00 \$1.0 | 1888 | 1892 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 1894 | 58 11 36 289/2 1566 267 12 269 516 417 4 3402 2016 73 1516 172340 1955 22 346 9 Prudence Pru CONTROL CONTRO 26V2 72 12V2 574 12V4 13 13V4 1874 1874 8V4 FIACASS CARTIES SET TO AMODIFIED AMODIF Criticine
Cronus
Cronus BEI BFS BC BGS BHA BGS BHH BRCM BR Inited BT FIN BOTT IN BOTT B BOTTT B B 

iony Lewis - Loi all that out learned about South years, they remain a control. How dos a represents a small population actually al insight into the tech-vailable. It is a room s Committee for his what it rightly calls what it reguly can a cordinary dimensions: of four black comm atter location of Cross e Town. The low connurned to the ground in 1986. Residents who their homes were a

bot. Fifty-three wee

th African standards i

has paid it little atten-

00 were left homeles

South African govern ty escaped responsibil ack-on-black violence." gan said at the time: "I in that community ened is that officials of :mmeot encouraged fac-Crossroads. They sap opponents of aparthed the vigilantes. Govern forces were on hand the vigilantes attacked ne four communities. documented in the reng detail. Legal organiz-h Africa collected hutements from resident other witnesses. The whelming evidence that ad soldiers supported the ad were themselves in rniog and killing, nesses described both the d the police as using a a grenade at the Cros-When it landed it de and there would be SWOTE Statement said. cars were in and around was while they needs e man described how he

Four white men in blue locked me in the ground kicking me e confusing things about is that it has cours and ient press — asuminos a democracies not on to se of government power, not work in South Altithe Lauvers Commune ormative. first round of destrotion 5, residents in one Cross nunity that still existed

d by five vigilants with

abs. He ran to a nearly

er for help. When he

art. The Legal Resource public interest organizced massive evidanced ticipation in the down ours, convinced, engage id the police from 2003 aging of allowing a ie remulaing commen pened The country ignored. Two weeks he four communities and, the report inditte n of the securit ions we plaient." re and the army did the p the press from some malists were brush a meramur. George De At

क्टर १८०० न संज्ञायात मान्य

charged that the pole

ip him prompile as the fure them. And the One is were before the rel on the press Presented lauons forbid journals present at any notate ds is a particular trains of the human regions of Black families put up is the stracks there in the fig use the rules of apartial in from legal residents ape Fown area which sales they could find with mmen: winted manife Carefullie entending s such a visible stubil s such a visible symposis.

But too many pools ung for a direct assault.

The addition was to a configuration and as a configuration and as a configuration and the configuration are to the configuration. antes have now been got its. Their leader his unfo

rough less new number of generalized in Section 2nd rule. e New Lork Times RS.AGO Greece " Signal Fed at 1 the Radial part and the Radial part in the least the least the last the las n extiled without on the Grait Powers

Ludlow Defeated GTON - Misking By Austria Records to the least least to the least leas

The two banks won the mandate State Bank of India and Tokai proposing a margin of 3/16 point. Bank, making a total of only three five years, paying a facility fee of over Libor for the first two years. Japanese banks so far.

64 basis points and a drawing and 4 points for the final eight. In Europe, McDonald's France charge of 10 basis points over Liyears. There is a grace period of is seeking a multi-option facility of bor. There is a utilization fee of 5 seven and a half years during which 300 million French francs that can basis points if more than half is

i issuer	Amount (millions)	Mat.	Coup %	Price	Price end week	Terms
REATING RATE M	DIES		247Te			F 12
Side Bolink of New South Woles	\$250	1998	3/16	100.	99.75	Over 6-month Libor. Noncollable. Extendable every 5 years Fees 0.32%. Denominations \$10,000.
Compagne Bancaire	¥10,000	1995	0.55	10014		Below the Jopanese long-term prime rate, semionually Noncollable private placement, Fees 0.35%, Demonstration 10 million year.
EXED COUPON		1.0		7. 1.15		
Authors: 1	DM 1,000	1998	6%	100%	98.75	Noncollable: Fees 25%.
Nordic levestment Bark	DM.100	1991	4%	100%		Noncritable private placement. Also 1.5 million two-year warrents, priced at 12% marks each, entitling holders to buy \$100 at a fissed exchange rate of 1,635 marks per dellar Breakeven rate 1.76. Fees 1962.
Abbey National Building Society	£ 50	1993	1014	101%	99.00	Noncolloble. Fees 17/%.
Toyota Motor Credit	£75	1993	91/2	101	97.75	Noncollable, Fees 176%.
rP; Göpítol	ECU 100	1993	74	101	98.50	Noccollable, Fees 176%.
Deutscha Bonk Injonice	Ech 100	1993	7%	10114	99.25	Noncultable, Fees 177%.
siropean Investment Ionia	ECU 150	1996	8	1011/2	99.38	Noncollable. Fees 2%,
IBC Mortgage	C\$ 700	1993	10%	100%	98.88	Noncollable, Feas 17/1%,
innish Export Credit	C\$ 75	1997	10%	101%	99.63	Noncolloble. Fees 196%.
ord Motor Credit	C\$ 700	1993	10%	101	99.00	Noncollable. Fees   14%.
ignsehold Finance	<b>C\$ 75</b>	.1993	10%	10034	99.00	Noncollable, Fees 176%.
ompagnie Bancaire	Y 10,000	1993	514	101%	<del>. –</del> .	Noncollable private placement, Fees 1%%, Denominations 10 million year.
ikopbonk ************************************	Y 3,000	1993	21/5	.101%	ōT.	Coupon will be 21/1% in first 2 years and 7.1% thereafter. Noncollable. Fees 17/5%. Denominations 10 million yen.
QUITY-LINKED	i. i	· • : 7		′		
ioldkai Carr	\$ 80	1993	open	100	103.00	Coupon indicated at 5%. Noncollable. Each \$5,000 note with one warrant aperciable into company's shares at an expec- ed 29/% premium. Fees 29/%. Terms to be set Feb. 12.
loshia Denki	\$100	1993	open	100	104.00	Coupon indicated at 5%. Noncallable. Each \$5,000 note with

### PANEL: NYSE Head Sees 'No Guarantee' for Market

(Continued from Page I) uted the plunge in the Dow oo developed and used by a handful of publican senator from New Jersey. Friday to wornes about the Brady huge institutional investors. In its report issued Friday, the parel proposed a set of regulatory actions to cope with the new dynamic coordinated trading halts or Fed
ics of the U.S. capital markets and oversight, face opposition from

The advance of technology and eral
the instantaneous linkage of marinterpretations to cope with the new dynamic coordinated trading halts or Fed
ics of the U.S. capital markets and oversight, face opposition from

The advance of technology and eral
the instantaneous linkage of marinterpretations are commendations for reducing volatility, such as
the instantaneous linkage of marinterpretations are commendations for reducing volatility, such as
the instantaneous linkage of marinterpretations are commendations for reducing volatility, such as
the instantaneous linkage of marinterpretations are commendations to cope with the new dynamic coordinated trading halts or Fed
ics of the U.S. capital markets and oversight, face opposition from

pame that characterized the weekend following Oct. 16.

to Monday kind of action that regulation of credit, we had on the 19th of October," Mr. Brady said on "Meet the assured" that "we have everything

However, the chairman of the House Committee on Energy and Commerce said it was difficult to tell whether investors using the market's computerized mechanisms had become self-regulating:

"It's too early to say, but a computer has no morality, "said Repretuated by individuals"; nomes too intense, "" be-likely to cut rates when both are scattained John D. Dingell, Denney capitalization is held by individuals, comes too intense, "" coocerned about the massive overcrat of Michigan, who appeared on who probably were confused by the

"I think it might be said that a lot of these investors that were doing headed by Mr. Brady essentially that have on morality either. Placed the blame for the Oct. 19 ironically, analysts partly attrib- decline on new trading techniques

tures margins "would only serve to

The Securities and Exchange

Commission and the Commodity

Futures Tradiog Commission

both have proven that they regu-

late their markets very well," said

Tone Grant, president of Refco.

Tom Donovan, the president of

the Chicago Board of Trade, warned that ill-conceived regula-

tory efforts could result in the loss

of U.S. financial business to over-

in a statement responding to the

Chicago Board of Trade empha-

Brady commission's report, the Times reported from Chicago:

Group Ltd.

hike the cost of trading.

A proposal that a single agency

Several elements of the trading can no longer be considered sepasystem must be improved to prorate markets.

"I don't think that we can rest

Mr. Brady, the commission head, also took care to address the conceres of small investors. He noted that 60 percent of stock market

In calling for revamped regulation of the markets, the task force's danger of that happening. primary argument was that the stock, options and futures markets

As expected, the study advocated several steps to unify the nation's capital markets, including establishing consistent margin, or down payment, requirements for purchasing all financial instruments; the creation of a single clearing and settlement system for all stocks, bonds, and futures; and

Mr. Brady backed away somewhat mestic money supplies. For its part, The presidential commission from reports circulating within the the Bank of England signaled last headed by Mr. Brady essentially administration last week that his week that rapid growth may recommission supported daily price quire a rise in interest rates to keep limits. (AP, Reuters, NYT) inflation in check.

### **MARKETS:**

Jittery After Fall (Continued from Page 1)

sumer goods; rising inflation as foreign and U.S. producers raise prices in the face of robust demand; and a continued worsening of the U.S. trade deficit, with imports rising and less domestic pro-

duction available for export. But Mr. Keating said this interpretation was incorrect. The December job data showed that retail employment was flat and manufacturing employment was up.

"The U.S. economy is clearly go-ing through a new experience," he said, witnessing weak consumer spending combined with huovant industrial output and increasing employment" as the United States, benefiting from the two-and-ahalf-year slide in the dollar's value, shifts to an export-led growth path. and other assets to one or more

U.S. consumers, he said, are overindebted, real incomes are not increasing and consumers are not ready low savings to go oo spendveraged buyouts with some of their
ing as they have. Taken together properties," said Wilbur L. Ross with the flat retail employment Mr. Keating said he saw no reason to expect anything other than flat consumer speodiog oo durable goods, those items expected to last three years or more.

The U.S. trade figures will begin registering this shift, "if not in the November data then certainly in the months that follow," he said.

The improving trade data, Mr. Keating said, will keep the dollar from weakening further, definitively breaking the chain of global instability in financial markets witnessed last October

But the December job data clearly jolted New York.

October's stock sell-off had resulted in a rise in bood prices as the cash raised from the sale of stocks went into the safety of the government bond market. But on Friday, bond prices also

huge institutional investors.

The advance of technology and fell sharply, on fears that the Federal Reserve will be obliged to raise the instantaneous linkage of mar- interest rates if the ecooomy heats

> However, Henry Kaufman, Salomist, who has predicted that rates will rise, said he saw no imminent "Against the backdrop of a more

stable dollar and apparently sturdy economic growth, which has yet to unleash faster price gains, the Federal Reserve will likely be content to leave current policy unchanged." he said in his weekly telex. Nevertheless, the prospects have

increased that the next move in interest rates will be up rather than

With the threat of a collapsing development of a "circuit breaker" dollar removed, neither West Germechanism that would halt trading many's central bank, the Bundesin certain stock and futures instru- bank, oor the Bank of Japan are " coocerned about the massive over-Presenting the report on Friday, shooting of the growth in their do-

### Texaco Charge Is One of Largest in U.S.

Jaguar Sets Sales Record

LONDON — Jaguar PLC, the British maker of luxury cars, said Monday it had sold a record oumber of its cars worldwide last year.

Jaguar sold 46,612 Jaguars and Daimlers in 1987, a spokesman

Sales rose nearly 5 percent in the United States, where Jaguar sells

said. He said sales were 14 percent ahead of the old record, set in 1986.

just over half of its cars. British sales rose 46 percent and European

By Stephen Labaton New York Times Service

NEW YORK - The charges of \$4.9 billion that Texaco Inc. is to take against fourth-quarter aftertax earnings in order to finance its repaid with earnings of the compa-equipment involved in the breakup baokruptey reorganizatioo are oy or the sale of its assets.

among the largest ever taken by a Texaco's announcement U.S. company. Texaco also said Friday that it

planned to sell at least \$3 billion in assets to reduce its debt. The \$4.9 hillion includes a writedown of about \$2.1 hillion of the

value of assets. It also includes a charge of \$2.8 billion, reflecting most of the \$3 hillion settlement of its legal dispute with Pennzoil Co. The properties for sale were not would include refining and marketing assets. These would include the

joiot veotures that would he formed with outside parties.
"It sounds to me like they are prepared to cut further their al- contemplating a hunch of mini-le-

sale of partial interests in refineries

Jr., a managing director of Roth-schild Inc., who is advising a com-mittee of Texaco's shareholders.

The quarterly charges appeared Proceeds from the asset sales to be the largest since LTV Corp. would be used to retire debt, he wrote off \$2.1 billion in late 1986. said.

made about half an hour before the president, said the restructuring New York Stock Exchange closed. would "focus oo a rearrangemen Texaco's shares fell 75 cents to and downsizing of refining and close at \$38.125.

lo a leveraged buyout, money is In 1983, American Telephone & borrowed to buy a company, and Telegraph Co. reduced the value of largest U.S. oil company, filed for

of the Bell System by \$5.5 billion.

Texaco's announcement was James W. Kinnear, Texaco's marketing assets."

Last April, Texaco, the thirdprotection from creditors under Chapter 11 of the Federal Bankruptcy Code. The filing was part of its efforts to fight a \$10.3 billion judgment that Pennzoil had obtained against it for interfering with Pennzoil's planned merger with Getty Oil Co.

Last month, Texaco filed a proposed plan with a Federal Bankruptcy Court to emerge from bankruptcy this spring. Including its \$3 billion settlement with Pennzoil, Texaco anticipates that it will have to pay its creditors \$5.6 billion.

In recent weeks, Texaco has been approached by foreign companies about the sale of its Canadian subsidiary, Texaco Canada Inc., in which it holds a 78 percent stake. It has also talked with Petroleos de Venezuela SA, an oil company owned hy the Venezuelan government, over the sale of certain European refining operations.

#### Jaguar has forecast that it will report a dip in pretax profit for 1987, to £105 million (\$189 million) from £120 million in 1986, mainly because of the costs of introducing its latest XJ model.

sales by 51 percent.

NASDAQ National Market OTC Consolidated trading for week ended Friday.								
Sales in Net 100s High Low Close Chige	Soire   100s High Low Close Chies							
(Continued)	Spire 202 614 314 314 114 1 115 115 115 115 115 115 115 115							
5 47 2¼ 1% 2¼ + % 1nd 128 8 7% 7½ + % 8 8ck .08e 1.3 405 6¾ 6¼ 6¼ 6¾ 6¾ 6¾ 6¾ 6¾ 6¾ 6¾ 6¾ 6¾ 6¾ 6¾ 6¾ 6¾	Springht   335 3% 3% 3% 3% + ½   Springht   Springht							
	Serrouse 500 2 5 18 2 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7							
58 94 84 9 + 12 ind 147 412 212 378 +1 ind 27 1678 10 1678 + 36 vs 7242 1474 1314 1312 + 14 t U 551 94 812 512 - 14	Standy s .92 41 592 2612 22 2214 - 314							
27 1036 10 1036 + 36 vs 72421434 1314 1315 + 14 tU 557 914 872 512 - 14 403 18 634 874 - 116 28 975 874 874 874	StdCom 58 25 335 311/2 20 20% — % StdMc 4359 7% 64 7 + % StdMc 50 20 17/2 21/4 20 20 20 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5							
2183 17½ 14½ 14½ —2½   287 246 196 2½	Statyla 631 64 54 64 +14							
3 73 9v. 874 874 179 21821779 1479 1479 2475 287 287 287 287 184 184 247 287 284 184 184 484 48 848 1476 37 311 224 39 4074 184 484 87 4 402 12 1112 1112 38	Stondyn   220 11   120   15   15   15   15   15   15   15   1							
h .07 .9 2104 9 51/2 774 +11/4	Shoodyn   217 38e 24 2 - ½ 5 5torTc   5trotSv   1.43t 11.2   87 13th 124 1246 - ¼ 5 5torSv   1.43t 11.2   87 13th 124 1246 - ¼ 5 5torSc   1.43t 11.2   87 13th 124 1246 - ¼ 5 5torSc   1.43t 11.2   1.24t 1246 - ¼ 5 5torSc   1.55torSc   1.55torSc							
141 2 11/2 134 + 134 20 637 534 534 + 14 ds ds 16898 81/4 64/6 659 - 34 es 9 9 3.7 99776897 2534 2534 - 2 1 381 53/6 5 53/4 + 1 1 998 123/4 111 123/4 34 es 1 121 14 131/4 131/4 131/4 - 12 es 1 22 14 131/4	Strois 1.43111.2 B7 1319 124 124 4 15 5tors 75 134 110 110 150 5tors 75 134 110 110 150 5tors 1214 1224 1234 1315 1315 1316 1316 1316 1316 1316 1316							
us   120 275 574 574 4 16  ds   16898 814 646 659 - 46  os   96   37 99976892 2274 2254 -22  1   381 514 5 554 +1  107   968 1274 11 1274 + 46  107   121 14 1314 1314 - 19  12203 229 214 25	Strostino 48 2.2 4071 21 30% 71% +1% Storstino 48 2.2 4071 21 30% 71% +1% Stored 55b 1.0 2516 516 41% 5 +							
br 988 123% 11 123% + 3% 131 1909 64% 546 6 + 16 1909 64% 1314 1314 1314 1314 1314 1314	Storiem 40 35.6 602 114 176 179 - 72 Steet's 03 .1 142 214 179 204 + 34 Steed's 1161 74 814 824 + 72 Steeding 15 772 772 + 34 Steedsyr 1041 % 12 742 742 + 34							
544 0% 4% B +1	8 tep5vr 1041 % 102 + % 8 ternriL 102 10 9 9 14 15 tew5tv 372 1815 1774 18 +1							
Sff 1909 64ts St. 6 + 16 1 10 12 14 13 14 13 14 13 14 13 14 15 1 1 10 1 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1	ShewStv 377 1812 1714 18 +1 ShewSn 76 4.9 1023 17 1314 1512 +174 StewSn 11 11 134 134 BickVie 16 13 61 734 7 774 + 34							
13 100	September   1041   %   %   %   %   %   %   %   %   %							
41 Ski 5% 5% 5% 6 km - kc 1889 12½ 11 12½ 11 12½ 11½ 12½ 11 12½ 11½ 12½ 11 12½ 11½ 12½ 11½ 12½ 11½ 12½ 11½ 12½ 11½ 11	Stokely .12 3.7 1821 474 474 475 Stratel 13 19 1772 1772—172 Stratus 17063 2674 2674 2774 +175							
2607 1644 1476 15 + 36 269 104 1016 94 94 94 + 4 201 436 414 414 260 106 7 446 1517 1376 15 + 114 ds 343 26 25 25 - 34	Strokery 13 101 64 51 172 117 117 117 117 117 117 117 117 11							
138 4 3 3 3	8trucDv 1543 1044 914 18 + 46 Stryke's 2076 2114 1716 1914 + 114 StuDSs 862 314 274 3 + 14							
SI 138 W 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Struck's 2078 21½ 17½ 19¼ +11¼ Studists B62 21½ 27% 3 + 1¼ Studist 405 1.3 364 495 374 6 + 1% Studist 405 1.3 364 495 374 5 + 1% Studist 2086 4.1 11.25 30 33 - 2 Subseru 38 54 1777 4 7% 534 7 + 11½ Subseru 38 54 1777 4 7% 534 17 + 1½ Subseru 48 18 151 77% 1634 17 + 1½ Subseru 48 18 18½ 73% 51¼ + 1½ Suffein 20 2.3 1354 81¼ 51‰ 83% + ½							
506 % % ¼ ¼ ¼ ¼ 9 50 64 ¼ % ¼ 4 9 50 1851 4% 396 334 + 16 r 3181112 104 11 + 34 m 148 314 134 214 + 34 m 36 28 248 314 1296 13 + 12	Sironka 208e 6.1 1135 30 312 Subaru 38 541774 74 544 7 +14 SubBco 32 13 151774 1644 17 + 44 Sudbcy 618 89 734 S14 + 36							
m 168 3/4 13/4 2/4 + 3/4 13/4 2/4 + 3/4 13/4 13/4 13/4 13/4 13 + 1/2 15/4 13 + 1/2 15/4 13 + 1/2 15/4 13/4 13/4 13/4 13/4 13/4 13/4 13/4 13	Sudbry 518 842 756 514 4 40 Suffein 20 23 1364 844 546 856 456 456 456 557 557 557 557 557 557 557 557 557 5							
460 316 3 3 — 16 61 96 14 201 2819 274 28 — 16 506 15 15 15 1 4 50 16 14 34 34 34 16 61 16 17 16 16 11 1 1 1 1 61 16 16 16 16 16 16 16 16 61 16 16 16 16 16 16 16 16 16 61 16 16 16 16 16 16 16 16 16 16 16 16 1	SuffBirs 52 39 176 151/2 111/2 131/2 + 1/2 Summa 1 3261 114 116 + 1/4 116 + 1/4 Sumper 2452 514 7 7 + 1/4 Sumcrp 40 21 803 161/4 1734 19 + 1/4							
mer 36 28 288 3312 12% 13 + 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	SumitB 725 3.3 582 23 22 23 -1							
5072 47% 334 37% — 11% 5072 47% 334 37% — 11% 138 5 412 414 — 14 582 21% 17% 3 + 14 3443 25% 24% 27% + 14	Sumitil ,12 &0 1381 2% 134 2 - % Sumitil s Sumsov 76 3 2% 24 + 36							
10 20 13 6 6 - 14	SumSev 76 3 734 234 + 36 SumCst 1244   19 19 19 + 19 + 10 Sumeir 24 45 357 534 535 53 Sunger 279 1796   144 15 + 1 SunGer 12 734 734 + 16							
1097 25% 23 25% — % 14 ,80 1.8 42 79 74 79 +1 1 253 1% 1/2 1/2	SunSav 12 74 74 + % SunMic 60892 4014 331/2 351/2 +2							
253 144 11/2 11/2 10r 7 27 14/2 13/2 13/2 1/2 18 48 33 87 15 14 14/4 + 14	5 m 100 d							
11	Sunsted 659 614 514 517 517 517 517 517 517 517 517 517 517							
131 912 836 836 12 11 16 9 343 26 18 1814 -134 1 2705 1836 17 18 + 34	Snistote 316V2 16V2 16V2 16V2 5Unst pf 15:00 66.7 522V2 22V2 22V2 4 V2 5Up 25 437 28V2 27 28V2 + V2 5Up Rte 20 2.2 560 9V2 734 9 + 1V6							
Fd 60 27 19 26 2 25 25 25 2 1 1 2 2 2 2 2 2 2 2 2 2 2	Survest \$ 1,000 2.5 437 281/2 77 281/2 + 1/2 SupRte 20 2.2 560 91/2 734 9 +11/6 SupE1 143 1134 111/2 111/2							
o 100 43 76244 234 234 — 4 l	Surprise 29 22 450 9th 74: 9 + 1th Surprise 29 22 450 9th 74: 9 + 1th Surprise 29 24 560 9th 74: 9 + 1th Surprise 29 25 450 9th 74: 9 + 1th Surprise 29 25 451 143 1145 1115 1115 1115 1115 1115							
1	Surgara 181 84 8 85 + 12 SurvTc 176 594 44 44 - 16 SusqBn 32 41 112 179 17, 1712 + 16							

.67 2.1 4634 2970; 28 2914 +134 .64 4.1 544 16 1512 1574 + 16 796 514 412 474 - 17 55 7 434 7 + 34

618 17h 17h 17h 17h 18h 18h 21d 22 2 320164 15th 16th 14th 1234 25 4 27h 25

c the

rs are

best 1 Sie-

<u>.</u>

call

: 690

# At a Glance

Eurobond Yields		
	Jon. é	Dec. 30
U.S. S. int'l inst., 8 yrs & over	9.74	9.84
public issuers, 2 yrs & over	9.92	9.99
other issuers. 2 yrs & over	10. IS	10.22
other Issuers. 5 to 7 yrs	9.57	7.49
Pounds starting, 5 to 7 yrs	9.46	9,74
French troncs, less than 5 yrs	9.74	9.91
ECU, 8 yrs & over	8.70	8.63
5 to 7 yrs	1.27	8.23
Can. & S to 7 yrs	10.96	10.97
Aus. S. S to 7 yrs	13.85	13.77
N.Z. S. Jesa Haun S yrs	16.55	16.50
Yes, \$ yrs & over	5.88	5.97
\$ 10 7 yrs	5.12	5.16
Source: Luxembourg Slock Ex	chang	♥.
Weekly Sales		Jan. 7

Share the wealth.

#### to avoid a recurrence of the Oct. 19 some congressmen and big invesfuture should be viewed as "one mon Brothers Inc.'s chief econostock downturn. Mr. Brady, who is the chairman market," the panel concluded.

Mr. Brady, who is the chairman But Mr. Phelan sought to reasof Dillon, Read & Co., a New York sure the market's small investors investment banking firm, said Sun-that the issues raised in the report day he did not sense the spiraling would be addressed.

Il don't see a repeat of the Fri-tect investors, he said, including the

in place that would protect the poblic," he said. "But at least the Brady report has gotten the subject up on the table."

vast selling in October.

ognize these differences will result

which will drive our business off-

**■ CBOE Studies Changes** 

Julia M. Flynn of The New York

The Chicago Board Options Ex-

**REACTION:** Futures Markets Assail Some of Panel's Recommendations sized the importance of differences change, the natioo's oldest and Market makers are estimated to

be used to coordinate stock, stock ance premiums; securities margins role in response to the October index futures and stock options are like a cash down payment on a market collapse.

The changes are likely to include raising the amount of money that in increased costs to U.S. markets, - customers must keep in their accounts to trade, which could limit the use of a risky trading strategy Mr. Donovan said he agreed known as "naked puts." Another with the report's recommendation possible change is to alter opening

pricing procedures, a major source that coordination and communicaof complaints during the market tion be improved between related market systems. But he said, "The turmoil. A special committee is examinmechanics whereby such coordinaoon could be achieved will require

between margins in futures and se- largest options exchange, says it is have lost as much as \$150 millioo urities.

Studying a wide range of changes in during the market collapse. About
"Fotures margins are like insurity operations and its regulatory 10 percent were in debit to their elearing firms, and many market makers quit trading and were forced to sell or lease their seats. In turn, capital levels at two op-

oons clearing firms dipped low enough to raise serious concerns that they would be in violation of regulatory requirements, exchange

regulatory requirements, exchange officials said. Clearing firms came under a cash squeeze that was depieted as tremendous by officials.

The CBOE study comes at a time when the options exchange has experienced a sharp drop in trading volume and revenue. It posted a \$1.5 million operating loss for the month of November and expects to report a loss for December as well.

### Despite Capital/Asset Warnings, Terms Stay Soft

By Carl Gewirtz International Herold Tribane

PARIS — Despite all the talk abour standardized capital/assets ratios forcing banks to seek higher returns on new business, there is still no sign of any hardening terms on internationally syndicated bank

Thailand has just asked banks to submit terms for an eight-year loan.

#### INTERNATIONAL CREAT of \$300 million that could be in-

creased to \$500 million. The proceeds will be used to prepay existing, more expensive debt. The country's previous 10-year. loan carried a margin of 1/2 point, or led by Industrial Bank of Japan are cost to draw other monies. 121/2 basis points, for the first two rumored to have proposed lower

years and & point over the London terms and, miffed at being rejected ioterbank offered rate for the final are reportedly boycoming the deal, eight years. Now, bankers in Asia report, a margin of % point is likely to be the maximum Thailand would pay, and very likely the charge will be lower. In fact, the only time the coming

new capital/assets ratios are mentioned is when banks are looking for an excuse not to do business they prefer not to do.

This appears to be the case with the \$300 million, 10-year credit beig arranged for India's Oil and Natural Gas Commission by Morgan Guaranty Trust and Bank of

only interest is paid and front-end fees total 37½ basis points. The terms are a new low for

India, which became an active borrower only in the past two years. The previous Indian loan carried a split margin of 4 point over Libor for the first two years and % there-There were two other syndicates

bidding for the mandate. The banks in a syndicate led by Citicorp proposed a 4-point margin. Notwithstanding, two of those banks, Dai-Ichi Kangyo and Credit Lyonnais, agreed to join Morgan's charge to draw in francs or foreign winning group once the mandate currencies is identical. Up to now was awarded.

Banks in an all-Japanese group

ostensibly because it is too cheap.

nothing of a boycott, and that the terms of the three groups were virus points.

tually identical The period for Trois forming an expanded lead management group was to have ended last week but the timing has been ex- a facility fee of 71/2 basis points and tended to early this week at the request of a number of banks, a Morgan official said.

As of Friday, the expanded group, in addition to the four already noted, included Commerzhank, Amsterdam Rotterdam amount is drawn. Front-end fees Bank, Banque Nationale de Paris, Credit Agricole, Swiss Bank Corp.,

be used to draw in other currencies drawn and froot-end fees of 17%

Credit Lyonnais, are ooteworthy, a drawing charge of 40 basis points McDonald's will pay a commit- over Libor, with front-end fees of ment fee of 5 basis points rather 7½ basis points. than a facility fee. The difference is that a commitment fee is paid only when the loan is not drawn, where as the facility fee is paid whether drawn or not. Io addition, the horrowing

charge to draw in francs or foreign the charge on franc drawings has run about 10 basis points above the In this case, the drawing cost is

121/2 basis points over the interbank rate for up to one-third of the loan. 15 basis points for up to two-thirds Morgan officials said they know and 20 basis points for more. Front-end fees range up to 6 basis Trois Suisses; the French retail-

er, is seeking a facility of 400 mil-

lion francs for five years. It will pay

-points over the interbank rate to draw francs and 9 basis points over Libor for Eurocurrencies. It will pay a otilization fee of 5 basis points if more than half the range up to 5 basis points.

Denmark is seeking \$30 million for

drawing charges of 171/2 basis lo the dollar sector, Sydank of

or as a backstop for the sale of commercial paper. The five-year facility may be extended to seven.

Two features of the facility, arranged by Société Générale and mitment fee of 20 hasis points.

Treasury Bonds

<b>5</b>					<b>DL</b> , O	
n		_ Clo		Wkago		
	Maturity	Bid	Ask	Yleid	yield	
١,	31.12.89	99 JI/32	100 1/22	7.87	7.77	
S	15.11.90	99 21/22	· 99 25/20	8.09	6.02	
	31.12.91	99 19/22	99 21/32	8.36	8.24	
e	15.02.93		98 30/32	8.52	8.37	
- 1					8.65	
- 1	15.1.95	98 31/32	99 1/22			
	15.11.97	99 4/32	. 99 ເຄນ	9,00	8.83	
•	15.2.08	100 39/32	101 2/22	9.37	9.03	
Ş k	15.8.17	97 2/22	97 5/20	9.16	8.95	
- 1				*****		
ել	Source:	Salamon 1	nc.			
۱ ک	•					
\$						
.						

Triple Time

Amateur short sellers become so aggressive during the latest crash score that Indigo research indicates some of them will get wiped out twice over on the rebound. Write, phone or telex for complimentary reports charting potential tripling movements in such cases as the fastest-growing PC moker, the pioneer in engineering work stations and a gene-splicing leader.

Indigo 'Indigo is not broker. Anta Palma de Mallacca 43. Terremalines, Malaga, Spain.

Telephone 34-52-389680 - Telex 78423.

ing capital requirements for market makers and their clearing firms, the companies that guarantee the market makers' trades. The committee expects to present its findings and recommendations to the CBOE month of November and expects to board by the end of the month.

<u>ACROSS</u>

1 Make over

5 Superman portrayer

14 Ireland

15 Presbyter

20 Withdraw

headgear 22 Poker stake

25 Enraged

35 Rineners

mammal

38 Jogged 39 A Kennedy

40 Kin of

41 Robin or

1956

44 Strainer

47 Legally

swallow

42 Food fragment

mathema

tician: 1871

45 Greater in size

23 Dory adjunct

same direction

32 Bridge holding

21 Jaunty

from a union

16 Stunning

defeat 17 Curb

instrumen

49 Winged

51 Drop bait

lightly 52 Exchange

premium 54 U.N. labor arm

56 --- Nevada

basebail

64 Companion of crafts

66 Word of woe

69 Mother of 48

DOWN

1 Beatty film

plate

4 Formerly

6 Building

addition

7 Prepare for

publication 8 Open to

bribery

10 Confer boly

12 Remove from

C New York Times, edited by Eugene Maleska.

9 Hermits

11 Curbs

5 Invalidate a

2 Lake or canal

3 Thin, circular

**61** Scores in

62 Curb

65 Riata

67 Occupied 68 Ope who

Down

#### **SPORTS**

### SPORTS BRIEFS

#### 2 More Die During Paris-Dakar Rally

PARIS (AFP) — Patrick Canado of France became the 20th person killed in the 10 years of the annual road rally from Paris to Dakar, Senegal, and the second in two days, when he was burned to death Sunday in the wreckage of his Range Rover in Niger. Earlier in the day, a French mechanic, Girard Lason, received severe internal injuries when he was run over by a car as he slept on the ground.

Canado was 13 miles (22 kilometers) into the Artit-to-Agades stage when his car olled several times and burst into flames, trapping Canado, 37, in the wreckage. On Saturday, Kees van Loevezijn of the Netherlands was killed when his truck crashed shortly after leaving Djado for Arlit. His co-driver, Theo van de Rijt of the in a World Cup race, was second in 1:29.46. Netherlands, and mechanic, Chris Ross of Scotland, were badly injured. The Pirmin Zurbriggen of Switzerland, who won organizers also announced Sunday morning that a French driver, Jean-Marie the men's downhill at Val d'Isère on Saturday. Lignières, had been seriously injured in Saturday's stage.

#### Yankees Lose Gullickson to Tokyo Giants

NEW YORK (Combined Dispatches) — The New York Yankees lost a pitcher the gap to 5 points with 131.

Friday night when Bill Gullickson rejected their final offer and headed for Japan, where he is expected to sign a two-year, \$3.3 million contract with the Tokyo Giants. No more players filed for salary arbitration before the deadine, leaving catches salaom races, finished fifth Sunday behind Steve Lake of the St. Louis Cardinals, who filed Wednesday, as the only one to have done so. Players with at least three years in the major leagues who were not eligible for race Saturday. free agency may file until Jan. 15. Last year, 109 sought arbitration; all but 26 seriled before the hearings.

(AP, NYT)

season, but added to the season.

#### For the Record

13 Feminine

18 False gods

24 Happen again

marketplace

26 Former G.t.

27 Oral as

evidence 28 Greek

30 Exist 31 Printed slander

33 Whittle 34 Finished

37 Lawful

41 Storage

44 Brown

shine

guide 55 Russian city

Chelyabinsk

east of

57 And others:

59 Highway 60 Handle for

Hadrian

63 Suffix with

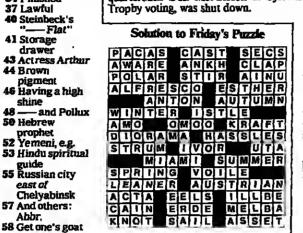
drawer

40 Steinbeck's

-Flat

Todd Santos of San Diego State passed 39 yards for a fourth-quarter touchdown fall in Furano, Japan, in March.

Sunday as the West all-stars won the Japan Bowl football game, 17-3, in Yokoha
The snow wasn't too good, "he said. "It was ma. The East's passing game, featuring receiver Tim Brown of Notre Dame and quarterback Don McPherson of Syracuse, who were one-two in the Heisman



Brian Boitano won the U.S. figuring skatiog title, ahead of Paul Wylie and Christopher Bowman. Debi Thomas won the women's title, over Jill Trenary and Caryn Kadavy.

Forty people were arrested and a po-liceman was hurt Saturday at the Millwall-Arsenal soccer match in Highsbury. England. There also were injuries at the Leicester match in Oxford. (AFP) Mexico's formula-one grand prix, suspended last year because of the econom-

ic crisis, is to be run July 5. Robert Maxwell, the British publisher, is to give organizers of the lossmaking 1986 Commonwealth Games 2

#### In Downhill, Zurbriggen Posts First Victory, in Record Time

Compiled by Our Staff From Dispatche VAL D'ISERE, France - Markus Wasmeier of West Germany, coming back from a serious back injury, won the men's first World Cup

super-giant slalom of the season Sunday. He was clocked at 1 minute, 29.16 seconds. Franck Piccard of France, in his best finish ever

was third. Alberto Tomba of Italy maintained his lead in the cup overall standings with 136 points, although Zurbriggen, in second place, closed

Wasmeier said it was his best race of the (AP, NYT) season, but added that the soft snow, caused by sunshine and mild temperatures, had bothered him. He was the super-G champion in 1985-1986, but had suffered vertebrae damage in a

soft and was breaking. But when I have a good race I always have some problems.

On Saturday, Zurbriggen got his first victory this season, winning the downhill in 1:57.10. the fastest time ever on the Oreiller-Killy course. Anton Steiner of Austria was second in 1:57.64 and Marc Girardelli of Luxembourg finished third in 1:57.67. The brisk temperatures and icy-fast course,

shortened from the usual 3,505 meters (809 yards) to 3,390 meters, contributed to the fast

The race, originally scheduled for Garmisch-Partenkirchen, West Germany, but transferred because of lack of snow, was delayed 30 minutes after a snow grooming tractor skidded into a ski-lift pylon, killing the tractor's driver and injuring three people in a gondola.

Peter Müller of Switzerland, the world down-hill champion, was in a condola just behind the

hill champion, was in a gondola just behind the one involved in the accident. After waiting 30 million pounds (\$3.6 million). (UPI) minutes to be rescued, he said he was unnerved

#### Wasmeier Wins; Austrians Disqualified Haas Takes Women's Super-G After Jury Demotes 4 Austrians Compiled in Our Staff From Dispatches LECH AM ARLBERG, Austria - Zoc Haas of Switzerland was declared winner of the

women's third World Cup super giant slalom this season when Signid Wolf of Austria and three teammates were disqualified Saturday. The Austrians were disqualified after the West German coach, Klaus Mayr, lodged a protest alleging that they had attached starting

numbers to their suits with safety pins instead of string. He claimed that the Austrians had gained a considerable advantage because "we have found out in tests that one can be up to a half second faster if the starting numbers are closely attached to the clothing.

Three hours after the race, Haas was declared the winner in 1 minute, 15.55 seconds, fourhundredths of a second slower than Wolf. "It's a joke," Wolf said. "It's terrible to be

beaten in this way." She said "some of us have used safety pins, but I certainly have not." Catherine Quittet of France, timed in 1:15.75, was promoted to second place. Michela Figini of Switzerland placed third at 1-15.79, and retained her lead in the overall World Cup standings with 121 points, 20 ahead

of Blanca Fernandez-Ochoa of Spain. The Austrian Ski Federation later filed a protest against Heinz Krecek, a West German who is technical director of the International pion Peter Mueller just missed being hurt. Ski Federation. The protest was rejected.

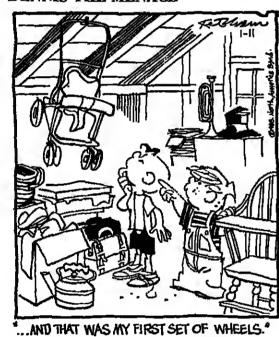
Andi Rauch, the coordinator for the Austrians, said: "The whole thing is untrue. We have by the incident and finished 15th in his event. done nothing against regulations." After seeing his winning time posted on the

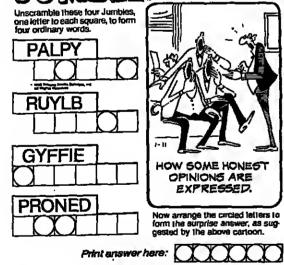
The five-man federation jury voted, 3-2, to disqualify Wolf; Anita Wachter, who finished fifth; Silvia Eder, who finished 10th, and Elisage electronic scoreboard, Zurbriggen, the defend-ing World Cup overall champion, thrust his right arm in the air and let out a mild yell. beth Kirchler, who finished 12th. I skied better today than I have been," he "That is a catastrophe for women's competi-

tive skiing," said Jean-Oierre Fournier, the Swiss team's head coach, "but as a jury mend-ber, I must make sure that rules are observed."

The race also was marred when Heidi Zurbriggen of Switzerland, sister of Pitman Zurbriggen, fell and broke her leg. She was just meters from the finishing line when she struck a lump of ice, lost her balance and went head over beels into the finishing area.

#### DENNIS THE MENACE





JUMBLE THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee

Jumbles: TONIC HYENA WHEEZE BUOYED Answer: What happened when an employee fell into a huge val of gum?—HE WAS CHEWED OUT

# WEATHER



MONOAYS PORECAST — CHANNEL: Slight, FRANKFURT; Roln, Temp. 10—5 130—411. LONGON: Foir, Temp. 8—4 (46—37), MADRIG: Foir, Temp. 12—2154—201. NEW YORK: Foir, Temp. 9—3 (22—27), PARIS: Foir, Temp. 0—6 146—43), ROME: Foir, Temp. 14—5 157—411. TRL AVIV: Not overlicible 2 URICH: Roln. Temp. 7—1 145—301. BANGKOK: FOODY. Temp. 33—21 ZURICH: Roln. Temp. 7—1 145—301. BANGKOK: FOODY. Temp. 33—21 [9]—70). HONO KONG: Cloudy. Temp. 10—15 164—37), MANILA: Foir, 191—70). HONO KONG: Cloudy. Temp. 3—23 (84—71). SEOUL: Foir. Temp. 5—9 (22—161. SINGAPORE; Four. Temp. 33—24 [9]—751. TOKYO: Foir. Temp. 13—5 135—41).

#### PEANUTS THAT STUPID KID RUINED IT FOR WHEN OLIVER TWIST MORE? ASKED FOR MORE. THEY PUT HIM IN THE REST OF US, SOLITARY CONFINEMENT













### Brazil Reportedly Seeking Quick IMF Pact on Debt

Compiled by Our Staff From Dispatches

RIO DE JANEIRO - Brazil will seek a quick agreement with the International Monetary Fund on its \$116 billion foreign debt and has dropped a longstanding demand that private banks first agree to a refinancing package, according to a Finance Ministry source.

A snow tractor hit a ski-lift pylon in Val

d'Isère, killing the driver. Downhill cham-

said. "I am pleased to win."

Girardelli had set up the time to beat with his

run from the seventh position, and Zurbriggen

"I knew Giradelli was fast on the top part,"

The next men's race is a slalom on Tuesday at

be said. "I thought the times would be tighter.

Lenz. Austria. It was transferred from Bad

Wiesee. West Germany, due to a lack of snow.

followed immediately.

The comment came as Fernando Milliet, president of Brazil's central bank, prepared to meet on Monday in New York with a 14member committee of private creditors led by

"Negotiations with the banks and the IMF will take place simultaneously," the Finance Ministry source said Friday. "So far there is nothing scheduled with the IMF, but it could be this week or next."

He said that Mr. Milliet went to New York with "the express instruction to reach a quick accord" with the banks, aiming for a Jan. 29 deadline set at previous talks.

Brazil, the world's most indebted developing nation, stopped paying interest on Feb. 20 on about \$70 billion of its medium- and long-term debt to private international banks. Now, however, it has begun negotiating a possible resumption of interest payments.

Brazil has not signed a formal accord with the loternanonal Monetary Fund since the end of military rule in March 1985. It has asserted that such accords represent an unacceptable interference in its internal affairs.

Now, however, creditor bankers say that an IMF "stamp of approval" for Brazil's internal domestic policies will help the indebted nation

The fund helps indebted nations pay their loans but usually demands they change their economies to reduce trade barriers and stabi-

lize their currencies. These measures often make the fund unpopular with debtors, but countries that win its approval usually have an easier time getting bank loans than those that do not submit to its

requirements.

Bankers believe that Brazil, which is struggling to bring down the record 366 percent inflation rate seen in 1987, is anxious to reach a solution oo debt so it can concentrate on do-mestic economic and political problems.

Brazil's new finance minister, Mailson Nobrega, met for 90 minutes with President Joseph Sarney for discussions including the foreign. debt, but the ministry did not detail how much money the country will seek from the banks or the IMF, or what kind of repayment terms it

世一....

Att is a wife.

Salar Land Control

kar dier er in which

Miller III

SCOREBC

ational Backettial

Fruite :: nillige !

Meded U.S. Colle

A SOUTH A SECTION ASSESSMENT OF THE SECTION

Marie Carry Company

Mr. Nobrega was swom in on Wednesday as the new finance minister.

The previous minister, Luiz Carlos Bresser Pereira, resigned after clashing with President Sarney over how to handle the country's huge public deficit.

When Brazil stopped paying interest to for-eign banks 11 months ago, government offi-cials said falling exports had left the nation with insufficient foreign currency. Now trade has picked up, allowing the nego-

tiations on resumption of some interest payments. The Finance Ministry source said, however,

that Brazil will not pay medium- and long-term interest falling due in January until it reaches: an agreement with the banks. Given Brazil's weak reserve position, bank-ers said it is unlikely it will be able to include a

ers said it is unlikely it will be able to include a plan to swap bonds for debt in the package.

Such a plan is being arranged for Mesocrap which will dip into its huge holdings of reserves to pay for the transactions.

Brazil had proposed a similar plan last automn, but the plan soon died when the U.S. Treasury secretary, James A. Baker 3d, said it had no chance.

had no chance... That was an embarrassment for Mr. Bresser

Pereira, who had announced the debt proposals before negotiations in the United States. Mr. Milliet said Thursday that future contacts with bankers would be secret.

He said last week that he wanted "pragmatic, professional, determined and discreet negotiations with creditors and has also said he will introduce a more secretive style of negoti-

The debt has to be negotiated with the necessary discretion and determination." he said. "To divulge proposals is like giving advance notice of military preparations in war."

(UPI, Reiters)

### From Resorts to the 'Chunnel,' China's Investments Grow Abroad

BELIING - Foreign money has poured into China for the past nine years, but the flow is increasingly two-way. Beijing has begun to aggressively invest abroad, a dramatic change from the early days of Communist rule.

10 1979, nontrade investments abroad aggressively investments abroad aggressively investments abroad aggressively to feet aggressive to the feet of the the feet o

amounted to four projects worth \$1.2 million.

Now, according to the People's Daily, there are more than 300 projects worth \$500 million, including a resort in the Bahamas, a forest and real estate in the United States, an Australian aluminum smelter and the tunnel that is being built under the English Channel. The total does not include investments in Hong Kong. The scope of China's foreign investment has

also changed — from production of goods it would otherwise have to import, to investment for profit and prestige, foreign bankers said. "If we only import capital and technology," the People's Daily said in an article published

in November, "not only will we come to rely oo foreign countries for them, but we will reduce our own creative ability and use of funds." An American banker in Beijing described

the policy as good business and good politics.
"Investment overseas is also a sign that China
is joining the world economy," he said. "Other couotries welcome it."

Much of the foreign investment was pioneered by China State Construction Engineering Corp., one of the largest contractors in the world with 25 offices overseas.

The firm is developing a 520-room hotel in Toronto, houses and offices in Florida and California, and a resort, including a casino, at Bimini in the Bahamas.

Construction and the export of labor, both skilled and unskilled, also have become big business for China.

The Beijing Financial Times newspaper reported last month that China had signed more than 4,700 construction contracts worth \$7.5 billion with 107 countries and regions since 1979. But China still has less than I percent of the market, which has increased tenfold in the last 15 years, and the quality of Chinese work is still considered to be low, it said.

Another pioneer abroad is China International Trust & Investment Corp., which was set up in 1979 to bring foreign capital and technology into China.

"Critic says it invests abroad purely for profit. It is on the ideological frontier in China." a European banker said. Citic owns standing timber in the north-

western United States, half of a pulp mill in Canada, part of an aluminum smelter in Aistralia, 12.5 percent of Cathay Pacific Airway and a majority share in Hong Kong's Ka Was Bank Ltd.

Bank Ltd.

Its subsidiary, Citic Industrial Bank, lent.

\$17 million toward the construction of an anderwater tunnel linking Britain and France. "It seemed a very peculiar choice," the Euro-pean banker said. "The bank did it to get a

good asset on its books and as a status symbol; because it was such a big international pro-

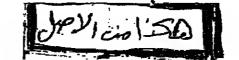
But despite a bold and apparently solid investment sense, Beijing must tread-carefully to avoid offending hard-liners in the Commitnist Party.

Citic was criticized for not acquiring a con-

Citic was criticized for not acquiring a controlling interest in Cathay and for spending money that could have been used domestically, the European banker said.

The People's Daily article acknowledged the criticism, but defended the policy. There lingers a suspicion in people's minds; our country is short of capital for its modernization, way should we invest in businesses abroad. It said.

The paper noted that its overseas investments were a means of obtaining goods, such as minerals and timber, that are in short supply in China.



### Carter Far Outplays Rice During 36-24 Triumph

By Michael Wilbon

whiter of the San Francisco 49ers Eddie DeBartolo, needed Saturday was a money-back guarantee. After rewarding his players with \$10,000 a man just for making the National Feotball League playoffs, his beavily favored bonus babies fell flat on their farmies.

The 49ers got stuck in the mud of Candlestick Park and never played like the team with the best quarterback, the best receiver, the best offense and best defense in the NFL Instead, the Minnesota Vikings, who two weeks ago needed help from the Dallas Cowboys just to get into the playoffs, blindsided tem, 36-24, for one of the biggest

card game, the Vikings said they ere good enough to beat the 49ers. And were laughed at. Their top rocerver, Anthony Carter, said he was as good as Jerry Rice. And was langued at. But the Yikings, apparently, were sick of being langued at.
They jumped to a 20-3 lead, with eading the way. He went on

io catch 10 passes for a playoff- his NFL career, Walsh had benched record 227 yards against a 49er him for the more mobile Young. cessfully — tried to stop him with single coverage. And Chuck Nelson of the game, got the 49ers to 20-10 kicked live field goals, another early in the third quarter. But Car-

>ecurity

espite improv 3. The study w

Health Find

are alive and

Kangoon

ed Sunday in

ing eight new

of about a deale

government in

oden seat in 🖢

en the tran be

Pazundanne in

tack on civin

mucr a min.

. but air traveler

a, with only a lo

M. Monday, W

टाइ हटा प्रसंखीय

from Rome

ome from !! Alt -

ontinental let

) A.M. aring

after this set !

the Braishain

Francisco Funda s that were side

rthem Pomps

अर्थाट्ड व्यक्ति

ecause of man

since Bill Walsh became their coach, After Young's seven-yard touchand had won their previous three down ran got the 49ers back again games by an aggregate score of 124
7. But against the 10-7. Vikings they that period, the 49ers still had could never even get the lead. Waish enough time, But the Vikings had even benched the league's leading the ball. And Carter's 40-yard recep-passer. Joe Montana, in favor of non on an underthrown pass soon Steve Young in the third quarter, led to a 40-yard field goal by Nel-after the Vikings had returned one son, which made it 30-17 with a of Montana's criant passes for a minute left in the third quarter. touchdown. Young ran for one And all DeBartolo's bonuses touchdown and threw for another, which had resulted in a \$50,000 fme but it was too little and far too late. from the NFL, could not help now.

"We're flowing free and easy," hid quarterback Wade Wilson, who wais 20 of 34 passing for 298 yards and two touchdowns. Nobody ever expected us to go to New Orleans and win down there. And certainly nobody expected us to come here to

prised by the turn of events than the and one real obstacle Saturday when they advers, who suddenly couldn't pass, beat the Indianapolis Colts, 38-21, in an couldn't run, couldn't play defense. American Conference semifinal of the Nacouldn't of anything, tional Football League playoffs.

With that, the Browns moved to the

made it 10-3 early in the second SAN FRANCISED - What the period. Then Carter's 63-yard reception, on which he tipped the ball away from cornerback Don Griffin, led to Nelson's 23-yard field goal and a 13-3 lead.

While Carter was getting open everywhere, Viking comerback Issiac Holt was sticking to Rice like a bee to its honey. And the defensive linemen, especially Chris Doleman and Keith Millard, were working in perfect concert, forcing Montana into making quick, often errant throws, including one that cornerback Reggie Rutland picked off and retirned 45 yards for the touchdown that eached the lead to 20.3 that pushed the lead to 20-3.

Holt who had to cover Rice in

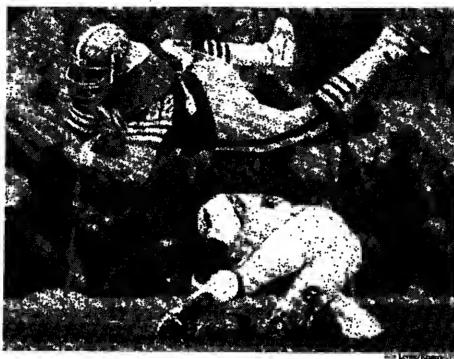
three games when his Alcorn State fore the game if I could cover Rice. He knew better than to ask me that." He said that Burns had implored the defensive linemen to rush Montana, that they "had to pressure Joe Montana, because without Joe Montana, there is no Jerry Rice."

Jeff Fuller's 48-yard interception renum, on Wilson's only big mistake-NFL postseason record. ter's 31-yard end-around right led to The 49ers, 13-3 this season, had Wilson's five-yard touchdown pass to Hassan Jones and a 27-10 lead.



#### Under and Over. Then Up and Out Montana because, for the first time in

Earnest Byner, top, who carried the ball 23 times, gained 122 yards and scored twice, went under the flying tackle of the Colts' Freddie Robinson to get the Browns' first touchdown in an American Conference playoff game. But Brent Jones, right, was sent sailing through the air by the Vikings' John Harris, and he and his highly favored 49er teammates were brought crashing to earth in a muddy National Conference game in San Francisco. It was the second straight surprise the wild-card Vikings had pulled off in the games leading up to the Super Bowl.



### Green Runs for 52 Yards On Punt to 21-17 Victory

CHICAGO - Darrell Green ran ceptions, while holding Payton to back a punt 52 yards for the decid- 23 yards the rest of the game. ing touchdown Sunday as the Washington Redskins rallied from a 14point deficit early in the National game for the second straight year.

But unlike last season, when they lost by 17-0 to the New York Giants in the gales of Giants Stadium. the Redskins will play for a trip to this Super Bowl at home against the wild-card Minnesota Vikings, who upset the San Francisco 49ers on Saturday. The Redskins beat Minnesota, 27-24, in overtime at Minneapolis three weeks ago.

"We had numerous opportunities." said Mike Ditka, the Chicago coach. "It's tough. We had oppor-tunities, but we couldn't do what we had to do. To have it taken out of our backyard two years in a row,

It didn't look at the start Sunday like the Redskins, who won the NFC East title with an 11-4 record, would get the chance to repeat last year's 27-13 victory here, which finshed the Bears in those playoffs.

With Walter Payton, playing in what would become his final NFL game, regaining the form that had made him the league's career rushing leader, and with the defense looking like the one that led to a Super Bowl victory two years ago, the Bears took a 14-0 lead in the first 22 minutes of a game being played in weather that dipped to 4 degrees Fahrenheit (minus 16 centigrade) with a minus-21 wind chill factor.

Calvin Thomas ran two yards for one touchdown and Jim McMahon, playing his first game in a month after pulling a hamstring muscle, threw 14 yards to Ron Morris for the other. Payton ran for 62 yards in 10 carries on the second drive.

Then, Washington's defense

And Doug Williams, who won the quarterback job from Jay Schroeder, suddenly brought the Redskins Football League playoff game and back, hitting Ricky Sanders for 32 upset the Chicago Bears, 21-17, to yards on a drive that ended with reach the National Conference title George Rogers' three-yard touch-George Rogers' three-yard touch-down run. Then Williams threw to Clint Didier for an 18-yard touchdown in the final minute before halftime that tied the score at 14-all.

"I think the key was the offensive line." Williams said, "They made up their mind to give me time."

Green, the Pro Bowl cornerback given kick return duty expressly for the playoffs, gave the Redskins the lead for good 3:40 into the third period. Taking Tommy Barnhardt's punt at his 48, he raced down the right sideline, leaped over Cap Boso, then cut across the field.

The best the Bears could do after that was Kevin Butler's 25-yard field goal with 4:47 left in the third quarter. Chicago's last threat was ended by Barry Wilburn's interception in the end zone on a pass McMahon threw from the 14-yard line with 9:20 left in the game.

As it has so often, the Chicago defense created the first touchdown of the game.

The Redskins began their second possession at the Bears' 45. On the first play, Williams was sacked by Richard Dent and fumbled, the ball bounding to the Redskins' 30, where Steve McMichael recovered. Five running plays later, Thomas scored for a 7-0 lead with 6:23 left in the quarter.

The defense rose up again on the cext series, when the Redskins drove to the Bears' 32. But Mike Singletary stopped Rogers cold on fourth-and-one, and the Bears took over. They faced an almost identical situation a few minutes later fourth-and-two at the Washington 31. But the Bears converted, with McMahon hitting Boso, the backup tight end, for six yards to the 25.
That kept alive what turned out to be a 68-yard, 14-play drive ending with McMahon's touchdown pass to Morris, who beat Wilburn on a siant pattern to make it 14-0.

The Redskins closed to 14-7 just 3:15 later, when Rogers scored, capping a 72-yard, seven-play drive on which rookie Timmy Smith ran three times for 48 yards. The key play was Williams's 32-yard pass to nders on a third-and-nine play that put the ball at the Chicago 26.

Dennis Gentry returned the 46, just getting shoved out of bounds on what appeared at first to goal try by Butler that fell far short.

Washington then drove 69 yards in seven plays, tying the score at 14 with 51 seconds left in the half on

### Browns Halt Dickerson, Rout Colts to Gain AFC Title Game

By Gerald Eskenazi

Candlestick and win. This underdog role suits us just fine."

CLEVELAND — The Cleveland
Browns disposed of three had memories

names offensively on the defense's conference title game against the winner of passes this season, had caught at championship against the Broncos, they and scoring twice.

Least one in 13 consecutive games. In saw a Super Bowl appearance slip away as this game he caught zero.

John Elway directed a 98-yard drive to the goat, fumbling on the Colts four-yard line touchdown, and the teams went first-half touchdowns, and the teams went

also kept drives going with pinpoint passing carries —although he did catch seven passes, as the Browns got a first down 11 of the 14 one for his first receiving touchdown since nected 20 of 31 times for 229 yards.

hold Rice to three receptions for 28 But only five weeks ago, they were held to most of those dottes because his partner, zone defenses by throwing for 251 yards, the Vikings victory was conjust a touchdown in losing to the Colts by Kevin Mack, developed a stomach ache in with 21 of 33 completions. But the Browns vincing. Rice, the NFC's player of 9-7. And the last time the Browns were in a the first quarter. So Byner carried 23 times, overpowered the Colts in the second half, the year, had caught 22 touchdown playoff game, last year in the conference gaining 122 yards, averaging 5.3 a carry and its was Frank Minnifield's intercep-

making the big plays. Adding a 31But this time the Browns, especially Schottenheimer, said he sensed all week that yard end-reverse and 20 yards in quarterback Bernie Kosar, did many elever Earnest Byner was planning on a big day. I puint returns to his receiving yards, things in the cold at that reached near-zero think Earnest Byner would have had a big

times they had third down. And because he his rookie season - and left the game in the was able to throw the ball precisely on final minutes when he fell and sprained his sideline routes, it made his passes nearly wrist after catching the seventh pass.

impossible to defend against. As usual, Ko-Because the Browns' defense was comsar kept the defense guessing completing mitted to halting Dickerson, it was vulnerpasses to nine different receivers as he con- able elsewhere, especially to medium- to long-range passes. And Jack Trudeau, the Cleveland's Earnest Byner was the run- second-year quarterback making his first

to the locker rooms tied at 14.

In their opening drive, the Browns were successful on all five third downs, one being Carter, who only a month ago was degrees Fahrenheit (-18 centigrade) with day even if he had to play all by himself." Mack's 27-yard dash up the middle. Kosar begging to be used more, finished the wind-chill factor. "The weather condivities and the wind-chill factor. "The weather condivities are said cheerfully, "were excelwith 278 yards. His three receptions tions," Kosar said cheerfully, "were excelenough: Halt Eric Dickerson, the NFTs pass to Byner. The roaring from the Browns'

**NHL Standings** 

behind the line by the nose tackle Dave take the lead. Trudeau, under pressure from Puzzuoli. But Trudeau and his teammates recovered from that minor embarrassment and responded with a 74-yard drive. Trudeau, benefiting from good protection, completed two third-down passes before throw-timing on sideline passes. He drilled an 18-

Derek Tennell, the intended receiver, the seventh touchdown the Colts had pertripped. Late in the second quarter, though, mitted on the ground this season. Kosar spotted Reggie Langhorne deep over the middle. Langhorne snared the pass on up to complete a 39-yard scoring play. But able. For them to go 85 yards down the field the Colts responded in 69 seconds, with Albert Bentley returning the kickoff 38 A few minutes later it became a 10-point yards to the Colts' 41 and Dickerson taking lead on Matt Bahr's 22-yard field goal. Then

carries, then went out with a stomach virus. ended when Kosar found Brennan in the So the Browns, who like to run and pass and zone for a two-yard pass. En route, they equally, went to the pass. And, they benefit- got a 41-yard gain after Byner fumbled the for the Vikings' second offensive lent for this time of year."

most dangerous runner. Dickerson was fans had hardly stopped when it picked up ed from a turnover midway through the ball forward after rushing for 25 yards, and series set up Wilson's seven-yard. He threw for three touchdowns, but he stopped. He gained only 50 yards on 15 again, on the Colts' first play from scrimther third quarter, when the Colts were deep in Fontenot picked it up at the Colts' six.

mage. Dickerson had been halted two yards the Browns' territory and threatening to Eddie Johnson, was intercepted by Felix Wright on the Browns' 14-yard line. The Browns turned that into a touch-

down drive on which Kosar had exquisite ing to Pat Beach for a two-yard touchdown. yarder to Ozzie Newsome, a 13-yarder to The Browns threatened to score on their Brian Brennan, a 16-yarder to Newsome next possession, but Kosar was intercepted and a 9-yarder to Herman Fontenot. Final-

The Colts' coach, Ron Meyer, said the the middle. Langhorne snared the pass on interception was the turning point, and that the five, fell and rolled to the two, then got the Brown's "striking capability is remark-

a pass from Trudeau for a 19-yard score. the Browns took over for good. They held Mack, having gained 38 yards on only six the Colts and set off on another drive that

#### be a 94-yard kickoff return. But after the Bears moved to the 24. Mann sacked McMahon for a fiveyard loss, then threw Payton down at the 31. That led to a 48-yard field

Williams' TD pass to Didier. The drive was helped by a 15-yard penalty for a late hit by Maurice Douglass following Williams's 13-yard pass to Sanders at the start of the drive.

#### SCOREBOARD

EASTERN CONFERENCE . . . Secutio

#### Basketball National Basketball Association Standings

### 18 18 563 7V2 11 19 367 1399 0 22 267 16V2 5 23 179 18V6 Process L Pct. GB LA Clisoers Golden State 5 23 FRIDAY'S RESULTS 34 43 5 FRIDAY'S RESULTS 1097 Weshington 34 43 27 15—169 7097: Boston 24 28 38 33—725 1449: Bird 14-29 7-9 35. McHole 13-17,5-7 31; J.Moione 11-19 9-12 31. M.Malone 11-17 2-2 24. Rebeensis: Washington 47 (M.Molone 131; Boston 3 48 (Bird 171), Assistis: Weshington 21 (L.Molone. 41/2 Cotter 51; Saston 30 ID\_Johnson 101, 64/2 Been Yerk. 35 28 15 33—111 4 New Jersey 9 Bogley 11-16 9-5 31. Williams 9-12 5-9 23. Central Division, 24 8 750 — 19 9 679 2 12 613 416

#### Selected U.S. College Results

EAST. Niopera 94, Moine 27 MIOWEST [Ifinois St. 75, Tuise 67. Texas-El Poso & Wyoming & FAR WEST
New Mexico 80, Air Force 62 SATURDAY'S SCORES ATURDAY'S SCOR EAST Arriny 165, Binghomton St. 80 Boston U. 92, Vermont 74 Consistic 43, Coloute 58 Columbia 98, Kines Point 79 Connecticut 19, Prividence 72 Partimouth 56, Harverd 58

Delaware 59, Con), Connecticut S Draxel 87, Cornell 83 Pointleid 53, Yole 49 s Folkleich Dicklason 87, Rider 78 Hortford 45; New Homes Colorystie 75, Brown 74 Lehigh 83, Bucknell 76 Pütsburgh BL St. John's 70 Princeton 46. Fordhom 59 de Island 90, St. Joseph's M Robert Morris 72 St. Francis, Po. 66 Sieno 90, Nactimostero 75 St. Peter's \$1, tona 76, 20T Syracuse 84 Seton Holl 22 PTemple 79, George Washington 64 Villanous 66, Boston College 54

American U. 86, William 8, Mary 72 Autorin 53, Kenlucky 52, Devices 85, Chedel 80 Duke 77, Virginia 59 Fleride ST, Georgia 70
Florido ST, SS, Louisville 76
Florido ST, Spellochian ST, 77
I George Moson, 77, East Corolina 63
- LSU 69, Mississippi 61, OT
Marthandi SP, Marthand St, 87
- Martyland' 68, Cleman-53
Maint, Flor, St, Witchrap 60
Mississippi SE, SP, Alphana 56

Nove Origons 77, SW Texas St. 44 North Carolina %. Lar Soile 83 Okt Dominion 78, Jacksonvillo 77 Richmond 78, Norv 63 S. Carolina St. 71, Morgan St. 45 S. Alississioni 84, South Carolina 69 Termessee, 20, Vonderbill.72 . wealth 84. South Florida 44 In 82. Memphis SL 80. OT Virginia Tech 12, Ma W. Kentucky SJ. Alo: Birmingle M. Lentucky SJ. Alo: Birmingle M. DWEST Airon 26, Yeungsloven St. 6T Brodley 26, Wichito St. 70 Botter 84, N. Illinois 73 Cent. Michigan 72, Toledo 60 Drake 99, S. Hillooks 86 E. Hillrois 75, St. Louis 68 E. Michigan 81, Bowling Green 66

Konsas 78, Missouri 74 Keni St. 72, W. Michigan 70 Miarril, Ohio 16, Ball St. 55 Atlchigan 103. Alimesota 71 Atra Dome 42. Morquelle 44 Purdue III. (ewa 79 Wisconsin 64 Ohio St. 63... SOUTHWEST SOUTHWEST :

Oklahoma 188, Oklahoma St. 80 Southern Meth. 97. Baylor 93, JOT Oklahoma 108, Okl Texas-E( Paso 7), Air Far FAR WEST Arizona 90, Stantora 45 Arizona St. 82, Colifornia 60 Boise St. 76, Montana 61 Brigham Young \$2 San Diego St. Colorada SI, San Dieso /2
Idaha 72, Nevoda-Rana 62
Mantana SI, 81, Weber SI, 77
Nev-Los Vesos 103, Cal-Irvine 68
New Mantas BS, Wyomins 72
Oreson SI, 10, Southern Cal 77, OT
Particut 69, Sentite 69
Can Jose St 61, Loco Banch St, 77 Son Jose St. 16. Long Beach St. 77

Ceverana 24 24 27 25—181
Affania 23 26 27 23—181
Wilkins 14-27 4-8 34. Levingston 8-16 00 16;
Hubbard 7-12 3-4 17, Cougherty 7-14 1-4 15, Reheads: Cleveland S3 ) Dougherty 12); Affania 55 (Levingston 11). Assists: Cleveland 23 (Cougherty, Price 8); Affanta 28 (Wilkins 8).
L.A. Lakers 27 18 41 23—184
Defroit 38 24 34 34—184

LA, Lokers 27 18 41 29—194
Detroit 30 36 38 38—194
Scott 11-18 13-18 35. E.Johnson 9-17 3-3 21;
Domfley 7-13 11-12 25. Dumors 11-24 3-4 33,
V.Johnson 8-19 2-2 19; Rebounds: L.A. Lokers 50 (Worthy 87; Detroit 49) Mahom, Lolmbeer 111, Assists: L.A. Lokers 20 1E.Johnson 97;
Detroit 20 (Thomas 18).
Urbs 22 27 28 31—111
Millwaukee 22 27 29 32—127
Matione 19-36 9-12 29, Trisecto 8-14 8-8 25;
Sikma 9-13, 6-7 24, Hodelse 7-12 1-1 19. Rebounds: Urbs 42 (Matione 11); Althwaukee 46 (Cummings 9). Assists: Uloh 30 (Stot.-Ion 18); Millwaukee 27 (Lucos 13).
Sacromente 16 15 22 35—97
Portland 27 98 27 34—97
Drexier 13-34 8-8 35, Porter 5-10 6-7 16: Secrements 16 15 22 25-77
Portland 27 28 27 24-96
Orexier 13-34 8-8 35, Porter 5-10 6-7 16: AcGee 19-21 3-4 27. Thorps 4-12 12-13 24. Re-bounds: Socramente 55 (Thorps 14); Parl-land 62 1 Kersey 10). Assists: Socramente 27 1K.Smith 71; Portland 31 (Porter 9).

SATURDAY'S RESULTS Borkley 15-19 3-5 35, Robinson 11-18 5-8 27; Borklev 15-19-3.5 35, Robinson 11-18-54 27; Price 9-17-24-22. Dougherty 7-18-6-11 20, Re-bounds: Cleveland & (West 61; Philodelphio 50 (McCormick 10). Austris: Cleveland 25 (Price 61; Philadelphio 33 ) Cheeks 16]. L.A. Cippers 26-10 19 17-76 Woshingfon 34 27 27 26-116 King 8-12 6-6 22, J.Malone 6-11 3-3 15; Woodson s-16 3-415. Cope 4-18 5-813. Dollay 6-14 1-4 13. Rebowals: Clippers 54 (Colemon 12); Washington 64 (M.Moloe 16), Assists: Clip-pers 12 ) Welf 4); Washington 20 ) Bogues 6).

New York Jackson 19-20 1-1 22, Green 8-11 4-4 28; ArcHole 9-15 19-12 26; Parish 19-13 2-3 22, Re-beunde: Boston-52 (28rd, ArcHole, Parish 9); New York 40 (Ewins 12). Assists: Boston 24 (Bird 9); New York 27 (Jockson 14). Wilkins 13-22 7-9 33, Koncok 9-19 7-9 25; En glish 11-20 5-6 27, Vincent 11-17 3-5 25, Re-bounds: Denver 48 (Schoyes, Rosmussen 9); Allonto 51 1 Koncok 12). Assists: Denver 21 Lever 6): Allanta 27 |Rivers 1)).

indiana 35 34 24 22—78 Worthy 10-17 1-121, Johnson 6-129-1921, Scott 7-115-6 20; Silvonovich 12-16-2-23, Fieming 10-18-5-6 25, Rebounds: Loker's 54 (Green 12); Indiana 46 (Williams 9), Assists: Lakers 22 Olo)uwon 13-19 7-8 33, Short 7-20 4-4 12; Names 11-22 3-3 25. Davis 12-24 0-0 24. Re-bounds: Pitemit 55 ) Edwards 10) : Houston SJ (Okaluwon 16). Assists: Pitemis 24 ) Humph-ries 91; Houston 17 ) Flord 8).

27 20 15 18— 51 30 24 31 24—113 Chicago 38 25 37 25—113 Jordon 17-2311-14 45, Sellert 5-18-3 72, Spor-row 4-94-4 12; Malbine 9-18 7-925, Bailey 8-19-2-2 19. Rebounds: Urch 27 | McChine 81; Chicago 47 (Ookley 15), Assists: Urch 27 | Slockton 91; Chicago 20 (Jordon 8). Robertson 13-24 to 11 27. Dowkins 7-17 5-5 tv. Rebounds: San Antonio 52 (Anderson 13); Seattle 68 (Chambers 111, Assists: San Antonio

#### World Cap Skiing MEN'S SUPER-GIANT STALOM

(A) Vol d'Isera, France) . Markus Wasmeler, West Germany, 1 imule, 27.15 seconds.

2. Franck Piccard, Francs. 1:27.45.

3. Plumin Zurbriesen Switzerland, 1:27.62.

5. Gonther Moder, Austria, 1:27.67.

5. Alberta Tomba, Italy, 1:27.57.

5. Alberto Tombo. Italy, 1:29,5.
4. Leonard Stock, Austria, 1:20,25.
7. Helmut Mayer, Austria, 1:30,25.
8. Marc Girordelli, Luxembours, 1:30,48.
MEN'S DOWNHILL
(AI Val et serve)
1. Zurbriegen, 1:57,10.
2. Anton Steiner, Austria, 1:57,44.
3. Girordelli, 1:57,47.
4. Piccard, 1:57,47.
5. Michael Moir, Ilaly, 1:57,57.
6. Christophe Pie, Fronce, 1:57,57.
7. Stock and William Besse, Switzerland, 19,07. MEN'S OVERALL STANDINGS Tombo, 136 points. Zurbriggen, 131. . Moder, 57. . Hubert Stroiz, Austria, and Mover, 47.

Rudoll Nierlich, Austria, 40:

Girordelli \$1.

WOMEN'S SUPER-GIANT SLALOM (Al Lecti Am Arthery, Austrio)

1. Zoe Hoos, Switzerland, 1:15.55. Cotherine Quitlet, France, 1:15.75. Michela Fleini, Switzerland, 1:15.79. Michela Gera, West Germany, 1:16.16.

8. Brights Certif, Switzerland, 1:76.49, WOMEN'S OVERALL STANOINGS chier. Austria, 98. 5 Vreni Schneider, Switzerland, M.

Signic Well, Austria, and Gerg. 75. 9. Certli, 7L 10. Matla Svet. Yugoslavia, 67. Tennis

NEW SOUTH WALES CHAMPIONSHIP

Affelica Modrid 2. Valencia Chesnokov, Soviet Union, 63, 64, Betis 1, Zaragara 8 Logranes 1, Los Palmos 1 Women's Sipples Flori Pom Shriver, U.S., del. Heleno Suveko.

#### Hockey

WALES CONFERENCE Edmonton 1 2 8 0.-4 Windipey 2 1 8 8-4 Messler (25), Krusheinyski [9), Kurri (27), Honnan (7); McBoln (16), MocLean (16), El-lett (6), Topilanetti (3), Seats an eaal: Edm Ion Berthiaume) 8-12-10-1--31; Win Ion Fuhr) Adoms Dielslog 25 14 5 55 163 132 27 11 16 34 155 132 17 17 7 41 134 161 15 18 7 37 121 133 17 20 2 36 139 144 N.Y. Islanders
Calgary 2 2 3—7
Hunfer 181, Peplinski 114), Macinnis 1141,
Hull 2 1171, Orfe (5), Loob 1231; LaFantoine
129), Konrovel 111, Diduck 131, Makele (21),
Shets on spedi: NYI jon Vernori) 11-12-12—35;
Cal jon Smith) 13-14-11—38.

SAYURDAY'S RESULTS

Pittshurah 6 1 2 8—4 Pitisburgh 6 1 2 6—4
Horitord 5 1 1 1 5—5
Francis 114), Anderson 2 1121, Martin (1),
Oineen 1171; McLiwoin (9), Charlesworth (1),
Simmer 181, Lemleux (34), Shots on goal; Pil
(on Liui) 9-5-9-22; Hor (on Riggin, Mellechal 24, 18, 18, 18) Mushinertes 3 2 2—8
- Gould 2 (5), Murchy (6), Adoms (9), Corrives (1), Gustofsson (13), Sundstrom (4), Leomhin (5); Poddubny (24), Debiots (7), Kisio (14), Dehilin (12), Shots on test: NYR (on Molorchuk) 12-11-11—34; Was (on Van-Nachment) 11-14-14; Montreel

1 1 1 8-3 rim and the Wildcats could not get the rebound. Chapman had made the second set the rebound. Chapman had made 1 1 1-3 post: Phi | on Roy | 12-14-1-36; Mon (on prenter (16)). Boston

1 1 1-3 post: Phi | on Roy | 12-14-1-36; Mon (on prenter (16)). Boston King ) 1), Kilma (24), Ashlon (12), Burr ) 9), Yzermen (32) ; Erickson (5), Corpenter (16), Alitson (6), Shots on seal: LA (on Honton) 5-9. Featrol 171. Hostol 196-124—36.

Honton) 5-9.

SI. Louis 6 1 0 1—2

Bourraue (8). Neely 1211; Gingros (2). Shets

1 2 9—3 engod; Bos len Womsley 19-15-13-2—49; St.

4 8 3—7 (on Lemetin) 4-7-5-1—17.

#### European Soccer

ITALIAN FIRST OLVISION Come I, Verone 1 Empol) 0, Aveiling Internazionale 2, Ceseno 8
Juventus 8, AC Milan 1
Nopoli 4, Fiorentino 9 Roma L. Torino 1
Points: Noseli 22; Milen, Sampderia 20;
Roma 18; Inter 15; Juventus, Verona 14; As-coll Cesena 13; Torino, Fiorentino, Pescara

BASEBALL 12: Pisa 11: Como 10: Avellino 7: Empol 5. SPANISH FIRST OIVISION Barcelone 1. Glion D Morcio 1, Real Modrid 1

New Jersey 6 4 8-4
Alineasia 8 2 1-3
Multer 2 1171, Cichocki (1), Johnson (7);
Musil (6), Bellows 2 (29), Shotson goal; NJ Jon
Takkoj 5-13-8-26; Alin Jon Sauvel 17-14-9-40.
Philoséphika

Grahom (8), Thomas 1 (5), Savard (24),

Valve 7 (29); McKenno (4), Leamon (16), Se-

#### Points: Real Madrid 28; Real Sociedad, Al-

T; Cella, Cadiz, Gilon 18; Zaragoza, Osasuna, Berceiona, Savillo 17; Majorca 16; Beis, Vo-lencia, Español 18; Murcto 11; Logranes, Las Palmos 19; Sabadell 9, Transition

National League
HOUSTON—Signed Lurry Anderson, Danny Darwin and Dave Smith, pitchers, and Denny Walling, Infielder, to two-ver confracts.
Skned Jacasin Andular, pitcher, to a oneyear contract. Extended contract of Mike PITTSBURGH-Eigned R.J. Reynolds and

### No. 1 Kentucky Is Beaten By Unlikely Auburn Hero

Compiled by Our Staff From Disputches LEXINGTON, Kentucky - An improbable hero emerged to help Auburn get an improbable victory Saturday night, when John Cay-lor's three-point shot with 10 seconds left in the game upset previously unbeaten and top-ranked Kentucky, 53-52.

Caylor, a 6-foot-7-inch (2-meter) sophomore, got to start the game only because frontline stars Jeff Moore and Mike Jones were absent. But he worked free and scored the winning basket from 20 feet away, on his only attempt from three-point range in the game. "It was a do or die situation," he said. "There was no more time left

on the clock and it came to me and l just put it up.
"When the shot whet up, I had no idea it would go in. It was one of the greatest feelings anybody could ever feel. When I saw it rolling around I

onds to go, but it bounced off the rim and the Wildcats could not get the rebound. Chapman had go to the rebound. Chapman had go to the rebound chapman had go to the rebound.

lems. The Tigers had beaten Flori-mitted only six turnovers while forcda, then ranked 15th, by 72-67 on ing their opponents into 24. Wednesday. This victory made had won 161 games. It was only the time to raise their record to 10-0.

in 37 games in Lexington. bent this time but we didn't break. It Seton Hall.

was one of our greatest victories."

#### COLLEGE BASKETBALL slowed the pace of the game down

and it made them take time to look for a shot," Smith said. "We couldn't throw it in the ocean and they couldn't throw it the ocean, and we just floated to shore first." Chris Morris led the Tigers with 18 points, and Derrick Dennison got 15. Kentucky was led by Winston

Bennett's 20, while Chapman got 15. New Mexico 85, Wyoming 72: In Alhuquerque, New Mexico, in an-other upset, Charlie Thomas's game-high 27 points and 13 rebounds helped beat the No. 5 Cowboys. The unranked Lobos, who have won 10 straight, had stunned then-No. 1 Arizona, 61-59, the previous Saturday night.
Pittsburgh 81, St. John's 70: In

Pittsburgh, Charles Smith scored 20 points and Jerome Lane got 19 plus 15 rebounds as the No. 2 Panthers.

Reid made his first 11 shots and finished with 30 points as the No. 4 It was the second major upset for Tar Heels won their seventh straight. Auburn since Moore broke his Arizona 90, Stanford 65: In Tuchand and Jones was declared ineli- son, Arizona, Sean Elliott scored 19 gible because of academic prob- points and the No. 3 Wildcats com-

Temple 79, George Washington them 2-0 in the Southeastern Con- 66: In Landover, Maryland, senior ference and 9-2 overall. Kentucky Tim Perry matched his career high fell to 3-1 in the SEC, 10-1 overall. with 24 points and freshman Mark The Wildcats lost for only the Macon scored 16 of his 22 in the 17th time in 12 years at Rupp Are- second half as the No. 6 Owls beat na, where, during that span, they the Colonials for the 11th straight

second time that Auburn had won their best start in nine years. Syracuse 84, Seton Hall 82: In "We have bent so many times Syracuse, New York, Derrick Coleagainst Kentucky and broke," said man's 17 points and 16 rebounds the Tigers' coach, Sonny Smith. "We helped the No. 7 Orange hold off

Michigan 103, Minnesota 71: In The Wildcats made only 34 per- Ann Arbor, Michigan, Glen Rice cent of their shots from the field scored 40 points, getting 19 of the 30 while the Tigers made 37 percent. the No. 11 Wolverines scored in the "The fact that neither team was first 9:35 of the second half as they shooting well helped us, because it won their 12th straight, (UPI, AP)

e the

iarics

es are

best Ste-Asset

鱼

call

: 690

# Dignifying the '38 Martian Invasion

"The Martians."

"Where'd they land?" "Someplace in Jersey."

"What happened?" "They didn't like it no more'n

#### I did. William Kennedy, "Ironweed"

International Herakl Tribune 7 EST WINDSOR, New Jersey - On Oct. 30, 1938, Orson Welles perpetrated the greatest media hoax of all time with a short radio broadcast that succeeded in panicking the entire United States and that hit this newspaper with a five-column headline: THOU-SANDS IN U.S. FLEE HOMES IN TERROR MISTAKING RA-DIO SKIT, WAR OF WORLDS, FOR REAL INVASION OF EASTERN SEABOARD.

The announcement on Welles's Sunday night program that Martians had landed in Grover's Mill,

#### MARY BLUME

New Jersey — "these strange beings who landed in the Jersey farmlands tonight are the vanguard of an invading army from the planet Mars" - caused people to fall in the streets and pray in Atlanta, New Yorkers to flee for the safety of the Adirondacks. and many lawsuits to be filed for millions of dollars against Welles and CBS (none came to trial because there were no precedents).

The panic was greatest in New Jersey, with rumors of deaths, bombings and a call from a housewife to the police, "Shall I close my windows?" In Grover's Mill, where the Martians had supposedly landed, several residents took potshots at a metal water lower that looked extraterresual in the fee. At the 49th anniversary commemoration of the event last October at Grover's Mill, John Genz, 80, a retired state trooper, recalled a resident sitting on his front porch with a rifle across his knees and saying he "would get

them before they get me."

The broadcast led to the first important research oo group panic, stronger federal supervision of broadcasting, and to praise for Welles from the journalist Dorothy Thompson for showing how easy, on the eve of war, it was to manipulate the public as the Na-



zis had done. Welles, professing surprise, said he had worried that people might find the program dull, and went off to Hollywood to make "Citizen Kane."

And what ever happened to Grover's Mill, the scene of the invasion which the scriptwriter Howard Koch, who later won an Oscar for "Casablanca," had chosen by sticking a pin in a map and which he had never visited? The buckshot-peppered water tower still stands and is visited by tourists each October - one hus load even came from Ecuador - but otherwise this hamlet in the wetlands of central New Jersey consists mostly of a lawnmower store and a pond that used to provide

water for the mill. There is scarcely a sign that you are in Grover's Mill once you have found it. It has been swallowed hy West Windsor, a burgeoning bedroom community that houses the work force employed by the many husinesses that have grown up in the area.

West Windsor sprawls over 26 square miles, its chief feature an important Amtrak train station. lts population has grown from 8,000 to 12,000 in live years. An earnest and upwardly mobile community like that doesn't want to be known as the place where the Martians landed

"It's embarrassing and if it's byped its going to embarrass them more," says Marcie Rudell, a New York PR woman who has been hired to help celebrate the 50th anniversary of the landing next October in a seemly manner. "New people are moving in and corporation leaders and children are being teased each year about where were you the night the Martians landed. It's sort of tacky, we want to make it all more

The force behind putting a new face on Welles's Martians is Douglas Forrester, president of War of the Worlds (WOW) and mayor of West Windsor in 1981-82. Forrester is planning a 50th

anniversary celebration that will create a sense of community in his town. "As mayor I received a lot of comments from different sources about the lack of cohesiveness, the dismay that there isn't any town center." he said.

"I think a sense of community is generated when opportunities are given for people to come to-gether. Princeton has its P-rade [alumni marching in funny cos-tumes] down Nassau Street, Hamilton Township has a St. Patrick's Day and an Octoberfest, Trenton has a Feast of Lights and a Heritage Day parade."

Accordingly, last Oct. 30, local citizens and a cluster of schoolchildren dressed as green Martians with tin-foil antenna gathdescribe bow be chose Grover's Mill as his setting and to learn that the township had taken over Grover's Mill pond, 37 weedchoked acres, to renovate for recreational purposes. It was the first step toward the 50th anniversary celebration. Along with refurbish-

scholarship in communications in order to perpetuate Grover's Mill's awkward fame in a useful and dignified manner. Welles always denied that he had deliberately caused panic and

ing the pond, WOW hopes to get

local corporations to endow a

it is true that the program's contents were listed and that it was clearly identified as fiction. But it is also true that Welles was a mischievous man with feeble ratings: His weekly program was on opposite Edgar Bergen and Charlie McCarthy, who had a 34.7 audience rating against 3.6 for Welles's Mercury Theatre.

The one weak point in Bergen's program was the introduction of a guest singer, and Welles must have supposed that people would flick the dial at that moment, for il was then that Ramon Raquello's dance band was interrupted by an urgent "announcement" about extraterrestrial invaders. Although later studies indicated that out of an audience of six million, less than 17 percent panicked, the event has gone down in history, and with it Grover's Mill, with its cozy hometown name so reminiscent of Grover's Corners in Thornton Wilder's play, "Our Town," which had opened on Broadway several months earlier.

A serious, high-level 50th anniversary celebration will, it is reasoned, erase all embarrassment about having been so massively gulled. "We're not trying to draw this memory up, we are reminded of it every year," says Marcie Rudell. "That's why it was a question of how do we make this legacy work for us with more dignity than these news crews who want to come down and get a good local angle from an old-timer."

WOW's plan to elevate attitudes about the Martians' landing is grist to everyone's mill -- property prices will hardly suffer and there is a good deal of building around, including a project called Grover's Mill estates; students will get fellowships; West Windered to hear Howard Koch sor will have a center to cluster around, The men from Mars will have become a local amenity.

"We're trying to avoid the feeling of small town boosterism." Doug Forrester says, "Our intention is not so much to have other people know who we are but to know who we are ourselves."

#### **LANGUAGE**

## A Tinker's Darn for Euphemisms

By William Safire

WASHINGTON — When Mikhail Gorbachev brushed off charges of human-rights violations in the Soviet Union with the question, "What about the wetbacks. Americans cringed - not at the crude attempt of moral equivalency, but at the use of a term now regarded as a slur. A wetback — from the conditute darn for dam or damn. non of a Mexican swimming across the Kio Grande to enter the United States — later become known as an illegal alien, and when that became onerous, the name illegal alien, and when that became onerous, the name was changed to undocumented person, now applied to persons of any nationality who enter the country

without a visa. That brings to mind the subject of ostentatiously

The age-old art of cuphemism is being violated. (Raped is the word I had in mind, but violated seems so much gentler.) In olden times, limb was substituted for leg to avoid offense, which seems silly, but cuphemism you worrying about? Executions have been abolished had its fair uses: love child made life less harsh for But he is not being executed; he is being shot." bastords, and handicapped was used when crippled stung. Now impaired is the combining form to describe handicaps, which denotes less of a handicap than disabled. (An Atlanta business association uses differently abled, but that strikes me as a too-kind location that pretends no handicap exists.) When euphemism lessens pain and does not deny truth, use

Local prostitutes is a phrase that is clear and direct, but is never used by the United States government. In the welcoming packet issued to our embassy employees in Budapest, there is this phrase: "It must be assumed that available casual indigenous female com-panions work for or cooperate with the Hungarian government security establishment."

And when names are changed for commercial purposes, let the buyer beware: the Department of Agriculture last year soothed beefing meat producers by replacing the word good in its categories of fat content. Prime has the highest percentage of fat, or marbling, followed by choice, and now by select, which used to be good. Butchers disliked good; they feel that select is more appetizing in that regard, let us recoal in mison from tube steaks, the misleading new name for frankfurters. (Is wurst closer to bad than good?)

And what about those broadcasters who refer to commercial spots as announcements? That's a sneaky way to hide a word from our sponsor. Almost as bad as family counselors describing a simple spanking as an intensive adversive intervention.

BIG guys who use namby-pamby terms look especially ridiculous. Complaining that his team was being torn apart in the recent football players' strike by a false issue of free agency. Pat Bowlen, owner of the Denver Broncos, said. "That doesn't mean a tinker's

darn to three-quarters of the players."
Should he have euphemized tinker's dam? Great controversy exists about the small word in this phrase, and whether it should be spelled with an n at the end. Some say a dam is a tiny pellet of bread used by a tinker, or mender of pots, to keep patching solder from running through the holes in pans being mended,

When the patch was completed, the dam would be thrown away, and became known as something with out value. Other etymologists hold that tinkers were a biasphemous lot, given to heavy cursing, hence dame, from the Latin damare, "to condemn or doom."

burt Tel Whichever of the theories you embrace, never substi-National Lampoon magazine has issued a list of call faded, and private person for the fellow who used to

be a grouchy recluse. One of the most callous euphemisms of modern That brings to mind the subject of ostentations of the most canous explicitions of the most canous explicit in the subtle change that is taking place in the avoidance through language of harsh reality.

The age-old art of exphenism is being violated. just been officially abolished, posing a problem for the state prosecutor. He rose to the occasion: "What are

> WAS watching 'Wheel of Fortune,' writes Dorothy Epstein of Brick Township, New Jersey, adding the defiant parenthesis: "(Yes, I watch word game shows.)" And in one show, she said, "they need the phrase plans are under way. Shouldn't it have been

But when eupbemism conceals reality from people who ought to be able to take their vocabulary plain, it should be exposed.

We greatly from people its 200th anniversary. "We are all in high spirits," wrote the British dramatist Richard Cumberland in 1785, "getting under weigh." Richard Heary Dans, the American author of "Two Years Before the Mass." picked up the common error and wrote in that classic in 1840: "She got under weigh with very little fuss." With that kind of hoary provenance, a word or phrase usually gains "correctness," based on the First Principle of Descriptive Linguistics: "If it sticks around, it's right."

But it is incorrect, which means it is still viewed as a "variant" spelling by most lexicographers. The most cal term under way, spelled that way, meaning in 1743 in England, and was used that way by Wash. ington Irving in America four years before Dama

The confusion is with weigh anchor, "to pull up in anchor before sailing," as in the song "Anchors Aweigh"; however, as Admiral William Henry Smyth pointed out in his "Sailor's Word-Book" in 1862. Some have written this under weigh, but improperly. A ship is under weigh when she has weighted her anchor. As soon as she gathers way she is under way." Other salts hold that a ship is under way as soon. as she is not at anchor, aground or made fast to a mooring, and does not have to be making way to be under way. I don't want to get into that scrap.

The sinking feeling experienced by Epstein about spelling is widely shared, even by those who do not get defensive about watching game shows, but is dismissed as "folk etymology" by us folks in the language dodge. Our problem is the marriage of the two words in the phrase: The Washington Post spells it underwor. The New York Times under way; you pays yer money and you takes yer choice. (And does anybody have the origin of that?)

New York Times Service

#### **ANNOUNCEMENTS** REAL ESTATE Your quarterly up-date on Europe

**EUROPEAN AFFAIRS** BUROPE'S SPOKESMAN

Subscriber's enquiries to: ELSEVIER P.O. Box 470, Al Amsterdam, The Netherland + 31-20-515 2357 Th 16479 Telefox + 31-20-832617

PART-TIME STUDIES AT THE AMERICAN COLLEGE IN PARIS RETURN TO UNIVERSITY TO EARN VALIDABLE CREDITS OUTSIES GYGLOBOLD LITERATURE, Computer Control Studies. Science, European Cultural Studies, French Studies, Int Affairs, Int Business Administration and Int Economics, Call the Administrator Office today for information: 45.55.91,73

LOSE WEIGHT, GIVE UP SMOKING OSE WINCHI, GIVE UP ANNUAL AND LEURI STRESS CONTROL IN O VERY Exchanne private medical clinic in W. Germany. 45 mais Zurich Arport. Write or phone CHRISTIANA CUNKC. Menzenschwonder Str. 32, D-7822 St Blosien, W. Germany. (0) 7673-48010. INFERTILE COUPLES unable to have children contact Noel P. Kenne Attorney, leading authority in alternatives to untertility. Responses confidential, 930 Moson, Deorborn, Mchilgan 48124. USA Tel. 313-278-8775

ALL SIBL OUT SHOWS. Phontom of the Opera, Les Mis, Cats, Follies, Chess available navel Tel: Londom 379 4634 or 240 0818. All credit cards. TICKETS FOR WIMBLEDON Tenns, Phontom, Les Mrs. All sports/shows. Tel: UK 01-225 1338/9 Credit Cords.

ALCOHOUCS ANONYMOUS English speaking meetings in Paris. Tel: Paris 46 34 59 65. THE LONDON CONNECTION - Les Ms, Phontom, all theatre - hakets for all events. Call UK 01 439 1763.

MOVING

#### ALLIED

WORLDWIDE MOVING DESCRIDES

NICE COMPAGNIE GENERALE
93 21 35 72
FRANKFURT FRANKTURT 1.M.S. (069) 250066 1.M.S. (069) 250066 1.M.S. (011) 953 3636 1.M.S. (011) 953 3636 1.M.S. (0111) 312-681-8100

MARTINI TECHNOTRANS - NICE / CANNES, Tel: 93.39.43.44. Overseas Moving - Storage - Pocking - Air/Sea Shipping, Car/Baggage, Clearance. IMPORT/EXPORT

AGENTS. NEW DANISH PRODUCT. Watersoles. Success in Scandingwa. Copenhagen 2-272005 Fax 2-659519. REAL ESTATE

INVESTMENTS

Southampton, NY INVEST IN THE HAMPTONS
Take advantage of the devaluated dolter. 1.45 care parcel, 1200 ft. lakefront,
5 min from famous Hampton Beaches.
Rous, Box 268, 300 E. 33 St, New York,
NY 10016 USA. Tel: 212.532-7057

REAL ESTATE FOR SALE

FRENCH PROVINCES

IF YOU ARE BUYERS IN ALL REGIONS OF FRANCE Estates, residences, villas etc., write: 10015 COMMUNICO 54, Crs Chapeau Rouge 33075 - BORDEAUX CEDEX Free chiples on request

PARIS & SUBURBS VERY, VERY LOVELY OLD SUILDING on Ave Foch, 400 sq.m. refined, dom-nating view and extremely discreen Ophril 45 62 03 03.

SWITZERLAND

LAKE GENEVA AREA
SWISS AND REPNCH SIDES or
MOUNTAIN RESORTS properties for
Foreigners from 5r 150,000
60% credit 64% interest.
REVAC S.A.
52. Monibrillars, CH-1202 GENEVA
Tel: 41-22/34 15 40. Tales: 22030

#### FOR SALE USA GENERAL

INVESTMENTS IN U.S. REAL ESTATE wish to purchase or well United

Stoles properly,
CHASE INTERNATIONAL'S
U.S. Representative will be in Europe,
available for consultation
JANUARY 15 - 30, 1988
Chose International provides a unique
service which accomplishes your Real
Extrite goods in a most professional, discreat, productive manner. Call U.S. 702588-6130 or FAX 702-588-8040 for an
appointment

REAL ESTATE TO RENT/SHARE FRENCH PROVINCES

CLOSE TO GENEVA furnished flats with cleaning service on private golf. Weekly rates. Tel 50953088 Franca T.z Pub Annecy 385417 Fax 33-50437626 LONDON, FLATS AND HOUSES TO AMERICAN STANDARDS. Consult PKL Limited. Tel: (01) 332 8111 for

PKI Umsted, 16: (91) 32: 311 to Knightshodge, Kensington, Chelseo, Belgravio, Tel. (01) 586 9682 for Re-gents Party, Primaces Hill, St. Johns Wood, Swiss Cottage. Tel. (01) 72: 2233 for Holland Park and Kensington or Th: 27846 RESIDE G. LONDON BOLIND? On business pleasure, stay of our immeasure serviced apartments in West End of London, Walk to Orford / Regent / Bond / Horley Streets, theatre & club land f London. E65/ngth, Tel: 01-636 2821. Th: 884130 marif g.

LONDON WIMBLEDON. Luxury house, 4 double beds, separate mad s quarters, double garage. Is acre gar-den + terrace. Fully turnshed. Long let. Rent negotiable. Available now. let, Rent negotable. Available no 01-789-2137, Mon-Fri 10am-noon.

HUNTINGDON HOUSE, luxurious serviced operiments in Central London Tel: 01 373 4525. Tix 25293. PARIS AREA FURNISHED

FLATOTEL COENSON on the River Seine, right beside the Effel Tower. FLATOTEL EXPO a few meters fro the exhibition center Porte de Versoille For more information please coll us 45 75 62 32

Rent of PLAT or on OFFICE in Paris. By day or more With all possible hatel services Housekeeping, room service...etc Studio up to 5 rooms.

ATTENTION EXECUTIVES

ATTENTION EXECUTIVES
Publish your husiness message
in the international Herald Inbune, where more than a third
of a million treaders worldwide, most of where are in
business and industry, will
read it. Just telex us (Paris
613595) before 10 a.m., arsoring that we can telex you
book, and your message will
appear within 48 hours. You
must include complete and
verifiable billing address.

BUSINESS

**OPPORTUNITIES** 

OFFSHORE & UK

LTD COMPANIES

Incorporation and monogement in: UK, tale of Mon, Gibraher, Turks, Anguillo, Ponetice, Liberto, Channel Islands, 6 most other offshore orders.

• Confidential advice

Confidential advice
 Nommes services
 Residence/Immigration
 Book registrations
 Accounting, & administration
 Mail, telephone & teler
Free excitanting besides from:
 NTERIATIONAL COMPANY
 SERVICES LTD

Springfield C., New Casiletown
 Ed., Douglas, bile of Man
 Tel: Douglas, bile of Man
 Tel: Douglas, los of Man
 Tel: Dougla

London Representative 2-5 Old Bond St., London W1 01-493 4244, Th: 28247 (CSLDN C Fax: (0624) 20986

OFFSHORE FORMATIONI All Countries JP, 223 Regent St., London, Tel: 01 629 7020 Tx: 893°11 G. Fax 7343970

### FOR 1 WIEK OR MORE bigh doss studo, 2 or 3-room poortments. FULLY EQUIPPED. 1MMEDIATE RESERVATIONS. TEL: 43 S9 67 97 AT HOME IN PARIS SHORT OR LONG TERM rements for rest furnished o

PARIS PROMO Estate Agent - Property Manager 25 Ave Hoche, 75008 Pars. 45 63 25 60

(LE ST. LOUIS ATELIER, 4 windows facing Right Bank, elevator, 2 bedrooms, 2 baths, living room, den, new kirchen, dish & dothes washer/dryer, Available Feb. & Mar. 57000 or \$3000 per month. No broker, [NY] 212-984-5623 [Paris] 4326-5894

REAL ESTATE

TO RENT/SHARE

PARIS AREA FURNISHED

**Embassy Service** 

8 Ave. de Messine 75008 Paris

YOUR REAL ESTATE

**AGENT IN PARIS** 

45.62.78.99

FAX 42.89.21.54

NEW WAY OF STAYING IN PARIS

The Claridge Residence

RESIDENCE CITY

8th AVE MONTAIGNE F12.000, Embassy 45.63.68.38.

7th ST PERE 120 sq.m., sumptious large living, 2 bedrooms. F18,000. Tel: 45.63.68.38. NEAR TROCADERO & Victor Hugo, modern, luxury, view. Bedroom + living. Short term possible. F7500. Tel: 45.53,23.44 / 45.53.22.21. No agents. ILE ST LOURS. Sturning duplex, huge fiving/dirung, 3 bedrooms, 3 bedrooms, 3 bedrooms, beautiful modern latchen, sunny, charm. F18,000. Tel. 47,20,37,99

International Business Message Center

BUSINESS

**OPPORTUNITIES** 

OFFSHORE COMPANIES

Free professional consultation
 Worldwide incorporations
 Immediate availability
 Full confidential services
 London representative.
 Full administration services

Aston Company Formation Ltd., 19 Peel Rd. Douglas, Isla of Mon. Tel (0624) 26971. The 627691 SPIVAG Fox: 0624 25126

INTERNATIONAL OFFSHORE COMPANY INCORPORATIONS FROM US\$150

clude normness, Representative offices, Powers of ottomey, teler, lelephone Fax, mail forwarding workdwide Island Reservates National House, Santon, Isla of Mon. Phone. (9624) 824535 Tix 628352 Island G Fox: (9624)823949

ABSOLUTE GUARANTEES
(No tox of source) Capital
8. arravel dividents generatised 10%
Minimum on onus return. Guaranteed
Copital doubled in 5 years
For debals contact:
SAMI Financial Services SA, r Broz. 10,
CH-1003 Lausanne. Tet: [021] 238560

ATTRACTIVE DEALS FOR

ALLIKALTIVE DEALS FOR businesses moving to Deeside, North Woles (doze to historic Chester) Michigan British Govt, grants. Europe on & BSC Industry loans too. Carded Peter Summars of Park House, Deeside Industrial Pork, Deeside.

Cheyd CHS 2NZ, UK.

oresentative offices,

#### REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED NEURLY ST JAMES. On private road, charming living + 1 bedroom, rice latches, both, large sumy private garden, parlong, F7500, Tel: 47,2037.99 NEULLY facing Bos, magnificent re-ception, 2/3 bedrooms, 2 baths, ele-gant furnishings, large balcarry, sun-ny, parking, F20,000, Tel. 47,20,37,99 AGENCE CHAMPS ELYSES I ents stu-

dias to 5 rooms. Residential areas. From F3500, Possible short term. Tel: ST GERMAIN DES PRES, 18th century building fiving and bedroom. Quiet. 3/6 months. Tel: 43 25 83 95 NEUILLY. Lorge elegant living, dining, 2 bodi coms, well furnished, big bitch-en, parlung, F13,000. Tel: 47 20.37.99

RASPAIL studio, south framg terroce. F5000, 2 rooms + office: F7500. Tel: 43 20 80 S1 14th, BEAUTIFUE 3-ROOM, all com-forts, short term possible. F6500. Tel-47-55.04.84

SHOKT OR LONGTERM, LEFT BANK APARTMENTS. No agency fees. Tel: 43 29 38 83. PARIS AREA UNFURNISHED

Ouai Conty. Apartment with charact 100 sq.m., F10,000 + charges. Tel: 47.66.31.26 SWITZERLAND LAKE GENEVA Montheux crea, Unfurnished new lutury villa, splendid view of lake & Alps. Grant living room, freplace, 4 bedrooms, 3 baths, large fully equapped latchen, 2 garages, balcomy, terrace. All comforts & applicances even Jacuzzi. Tel-France office (33) 61 30 42 61 - eves (33) 61 86 37 17

REAL ESTATE WANTED/EXCHANGE

I WANT TO RENT TOP QUALITY
Cole d'Axer villa. June 1-Aug 31.
Seo view and swimming pool required.
Mougris/Cannes area preferred, but
other good locations considered. Send
full information, description and photos
to: LD. Berger, Cholet Bergerb, 1780
Gistood, Switzerland, Tel: 030-4-37-13 WANTED: redone/modern flat: Neuilly / lath / 7th. 2 bedrooms / 2 baths/ fully equipped latchen / all machines/ closets/ garage. Paris 45255387 eves

BUSINESS OPPORTUNITIES

HONG KONG CORPS., \$320. Annua cost \$280. SR Ltd. 701, 35 Queen's Rd HK, Tb.: 83870. Fox: 852-5-246750

**BUSINESS SERVICES** 

YOUR OFFICE IN GENEVA
SWITZERLAND
Preshpous oddress, center of town
all fucilities. Ask for prospectual
Making, chane telex, fax.
RECIPA
14 RUE DE LA CORRATERIE
CH-1204 GENEVA
TEL: (22) 28 91 88
FAX: (22) 28 91 88
FAX: (22) 28 37 34
TELEX: 429551 THEO CH

6.5% PER ANNUM.

Int) banking services. Guarantees, LC's, PN's, orbitrops, bank goaranteed checks, payouts and loans. Contact: United Investment Bancorp. Telestrar (11) 7935324 South Africa Tel: (11) 7937041. Telestra: 451440

Multillingual Business Services

Translations, typing (word processor or BM electronic), telephone consvering service, telefax, executive relocation

hatel reservations, amousine service Call: Paris 47 27 84 18

TOP EXECUTIVE SECRETARY (multi-nationals / small sales offices) will act as your grif inday /business address in Aniver p: Belgium. Own telex : frzx. Call 03/3224/25.

EXCHANGE PERSONAL CHECKS of once/bank notes/etc. Best lotes Fin-oncatre Vendöme, 7 Pl Vendöme Pans 1, 21, Tel (1) 42 76 92 15. Tx 211306F

LONDON ADDRESS BOND STREET, Mail, Phone, Fax. Telay, Conference room. Call 01-499-9192. T+ 262690

**ICZKOVITS** Clandenstrasse 36, CH-8027 Zunch Tel: 01/202 76 10, Telen: 815915 Fax: 01/202 76 30

TRASCO GERMANY. Mercades Benz ormored cors & stretched limousines from stock. Steindamm 38, D-2820 Bremen, This 246624, Fass, 421630705. Tel. (0) 421-633044.

F3890 Tokyo and more destinations ...
Discount on list & business class Rules subject to madifications Restrictions may apply Tail-[1] 4013 0202 or 4221 4694 6 rue Pierre Lascot, 75001 Ports Matro - RER Charletet Las Halles (i.e. 175.111)... and now ACCESS IN LONDON New York C125 220 5 Francisco £175 2340 5 Franc

#### EMPLOYMENT GENERAL POSITIONS AVAILABLE AIRHITCH COMES TO EUROPEI US AllEHTCH COMES TO ELECURE US, anytone, S160 or less, enat cost; 5269 west cost; 5229 anywhere else, Pars; 103 rue La Boebe (a few yards hom Ch. Elyses) Tei (1) 429/1081. London; 56-60 Conduit SI, WI. Tel: 4343252

AVAILABLE

FEMALE CREW required for wellknown hixtry world crusing yoch,
Some boating experience essential.
Formal otimishere, uniforms, etc.
Hard work, loog hours, but not seasonal, Age 20:30 years, hi and athroctive, pay US\$1000 of this sophisticuted enough to occasionally oct as
houses Boat schedule for next 12
months includes Mediterranean, Coribbean, America Brief lesume including photo & id. no. to Box 45658, BTI,
63 Long Acre, London, WCZE 9JH.

EDITICATIONAL low, West London, TW3 3BN, Tek 01-570 9658.

EDUCATIONAL POSITIONS AVAILABLE FOR PARIS LANGUAGE School Expe-nenced English leacher for odults with car. Evening leasons near Versailles. Bar 5376, Herold Tribune, 92521 Neuilly Cedex, France

LANGUAGE SCHOOL seeks English / American director of studies. Samlar experience required. Available rapid-ly. Tel: 45.07 22.22 Paris. DOMESTIC POSITIONS AVAILABLE

AU PAIR NEED FEBRUARY, Ronda, 2 children, houseleeping. Call after 6 pm, 305-793-9484. DOMESTIC

POSITIONS WANTED NANNY/GOVERNESS, aged 34, very copolile with children Free now. Fry Stoff Consultants, 7 High St, Al-dershot, Hants Tel UK 0252 317095. AM AMERICAN BABYSITTER, expe menced, moture. Hourly weekend work. Call mornings Paris 43 80 15 94 TOP CHAUFFEUR, very good refer-ences, long experience. Tel. Pors 47.66.86.99.

**AUTO SHIPPING** TRANSCAR 17 av de Friedland, 7508 Paris, Tel 4225 6444, Nice: 9321 3550. Antwerp 233 9985 Carines 9339 4344 **AUTOS TAX FREE** 

FOR MORE THAN 12 YEARS EUROPE'S LARGEST SHOWROOM TRANSCO Tax free sales - shipping - insurance. We stock over 300 brand new cars. European - Japonese - American, Very competitive prices - taxt delivery. Send for free mulicolar catalogue:
TRANSCO NV 95 NOORDERLAAN,
2031 ANTWERP, BELGRUM

TI 323/ 542 6240 Tz 35207 Tress b new TAX-FREE used
Ronge Rover + Chevrole! + etc.
Mercedes + BMW + Audi + etc.
Codilioc + Jeep + Joguer + etc.
Same day registrotion possible
renewable up to 5 years

LOW COST FLIGHTS **ACCESS VOYAGES** 

One Way Round Trip
F1150 F2000
F9000 F3000
F1600 F3000
F3000 F3000

£135 Aldwych House 71-91 Aldwych. London WC2. Teh (1) 404 44 66 and naw by phone with credit card

#### **CLASSIFIED** INTERNATIONAL LOW COST FLIGHTS LEGAL SERVICES

HEALTH / MEDICAL

SERVICES COSMETIC SURGERY for men and women including nose refinement, ear correction, breast enlargement or reduction, face lifts, eyebog/eyeld correction, winkle improvement. The Pountney Clene, 41 Bath Road, Houns-

**DIVORCE IN 24 HOURS** Mutual or contested actions, low oss Hant or Dominican Republic, For information, send \$3.75 for 24-page bool let/handling to Dr. F. Gonzoles, ODA-Box 65475, Washington, DC 20035 US. Tel: 202-452-8331 SERVICES

YOUR MAN IN NEW YORK, Persona

HOTELS Venice \*\*\*

La Fenice et des Artistes 5 ma, walk Son Marco, All confort INTIMATE ATMOSPHERE Tel: (39-41) 5232333 Tb: 411150

HOTELS GREAT BRITAIN THE EXECUTIVE HOTEL All rooms with full private facilities Color TV, Direct dial phone, Hairdiners Coffee/Tea makers, Substantial buffs, English breakfast.

57 Pont Street Knightsbridge, London SW1X OBD Tel: 01-581 2424, Tb: 9413498 execut of Fasc 01-259-6153

HOTELS

PAGE 5 FOR MORE CLASSIFIEDS

# **AMERI**

### TOWARDS RENEWED GROWTH

London, February 11-12, 1988 The second international conference co-sponsored by the International Herald Tribune and the Inter-American Development Bank.

Our second major international conference on Latin America brings together an outstanding ... group of speakers from Latin America, Europe and the United States to review major new developments in the region and look for news ways forward.

As places at the conference are strictly limited, we recommend that senior executives from the banking and business community interested in attending the conference should complete and return the registration form without delay.

**FEBRUARY 11** 

NEW INITIATIVES IN MULTILATERAL LENDING Antonio Ortiz-Mena, President, Inter-American Development Bank. Speaker to be announced. Coffee

CORRECTION
BREAKING THE DEST CIRCLE: WHY LATIN
AMERICA NEEDS MORE THAN CURRENT
DAMAGE LIMITATION MEASURES Bellsario Betancur, former President, Colombia Str Jeremy Morse, Chairman, Lloyds Bank PLC, London FROM DEBITIO NEW FOREIGN INVESTMENT "Mauricio Garcia-Araujo, President, Central Bank of DISCUSSION ON MORNING SESSIONS

Luncheon THEURUGUAY ROUND AND THE CHALLENGE FOR NORTH/SOUTH COMMERCIAL RELATIONS

REGISTRATION INFORMATION; The lee is \$525 plus 15% VAT for all participants. Fees are psychie in advance and will be returned less \$50 for any cancellation

Please return registration form to International Herald Tribune, Conference Office, 63 Long Acre, London WCZE 94H Ontelephone (44-1) 379-4302 ontelex 202009.

DEVELOPMENT BANK

Arthur Dunicel, Secretary General, GATT, Geneva. Enrique iglesias, Foreign Minister, Uruguey. THE RESTORATION OF TRADE AND FINANCE PLOWS

Glutano Amato, Treats, Jorney President, Panama.

Nicolae Arctio-Barietta, Jorney President, Panama. Pedro-Pablo Kuczynski, President, First Boston International Cocktails

FEBRUARY 12

HOW THE COMMETCIAL BANKS SEE NEW DEBT. INITIATIVES
William Rhodes, Chairman, Restructuring Committee, Ciliberik, N.A., New York.
Franz Lutolf, General Manager, Swiss Bank Corporation.
Richard Marin, Senior Vice-President, Bankers Trust. Company Coffee

OPENINGS TO FOREIGN INVESTMENT
MEXICO: Gustavo Petricioli, Finance Minister
ECUADOR: Rodrigo Espinosa, Finance Minister
COSTA RICA: Fernando Naranjo, Finance Minister
DISCUSSIONS ON MORNING SESSIONS Luncheon
MULTINATIONAL COMPANIES' INVESTMENT

Jean-Jacques Faust, Délégue Général au Brésil et en Argentine, Compagnie de Salot-Gobain, Río de Janeiro, Gerrit Jeslof, Vice Cheliman, Philips Industries, Eindhoven CHANGING APPROACHES — BRAZIL'S PRIVATIZATION PROGRAM Speaker to be announced.

PERU'S NEW PINANCING SCHEMES
Guillermo Larco-Cox, Prime Minister, Peru. Closing Remarks

CONFERENCE LOCATION The Park Lane Hotel, Piccedilly, London WIY & BX.
Telephone (44-1) 499 6321 Telex 21533. A block of normal task been reserved for conference participants at preferential rates. Please contact the hotel directly.

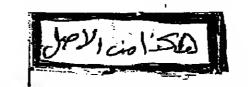
CONFERENCE REGISTRATION FORM: Please envol the following participant for the configuration and 12. 

Check enclosed 

Please two configuration. PRSTNAME COMPANY ACCOPIESS.

CITY/COUNTRY. Herald Eribune

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.



t bycomes conserved by The day and the Patient France | Patient | Magnitude to the second of trial Victoria General News Beli sprease to the

Pay \$8

1978

Kiosk

Вете си 🚉 с eterit. 259 -ound e 64 23.32

East 1

Sports

-

tektehet (. Ran

e state \*

For the Party Was